

The week in London and Equities slip below 300

ONLOOKER

Equities clawed back above cent, several discount houses their worst level yesterday had to be bailed out of technical insolvency. But this time round the sector is not nearly as vulnerable; gilt books were cut from £302m to just £23m. Over the past five days the 30-Share index has shed 24.8 points—between January and August closing yesterday at 292.7 for a drop of 56.2 points in a interest rates.

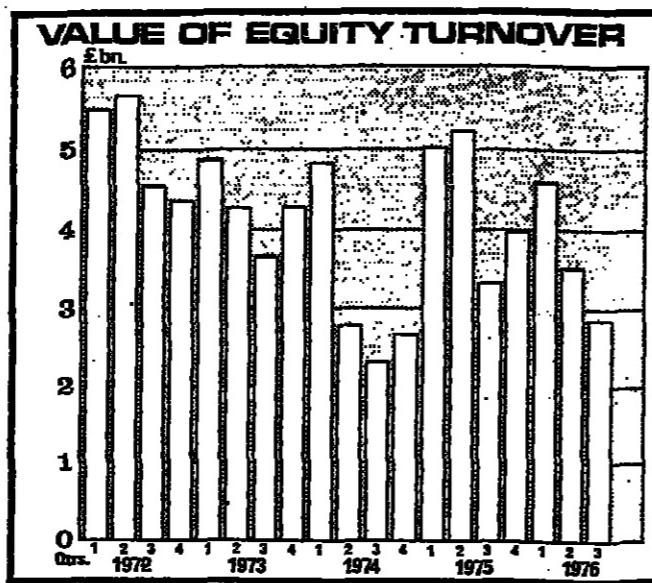
It is hard to judge which market has been bludgeoned the most by the latest turn of monetary events. Dealings in gilts came to a halt for 30 minutes when the new MLR rate was announced on Thursday and yesterday afternoon the Government Broker unleashed two new tap stocks so dealers had to readjust their yields yet again. Yield on at least one un-dated stock is topping 16 per cent, while our longs index is now almost a fifth below its January peak. Meanwhile, sterling—despite all the upheaval in securities markets this week—is still over 1 cent down on last Friday's close.

In equities declines since the May peak extend to a full 31 per cent for the 30-Share index with the broader based All-Share not far behind. Of course a 3% points rise in MLR in less than a month hits most directly the financial sectors and over the past month our property share prices have fallen very nearly as fall by between 6 per cent and fast as the drop this year in an eighth.

The report itself does not really turn up anything new. That rental groups were reaping high rewards from the swing from mono to colour placements was obvious. Even though the boom in new sets is clearly over—colour placements will be against 2.5m. in 1973—rental is still a solid sector benefiting from past expansion and strong cash flow. The industry's return on capital employed of 18.4 per cent compares with 19.9 per cent in 1973.

It now looks as though some agreement will be reached between the Commission and the industry to hold prices for six months. The result for the major companies like Thorn, Granada, Rediffusion and Electronic Rentals will be negligible. But some of the independents could come under pressure. Telefusion, for example, was looking for a price increase before the publication of the report. The upshot could be that the majors will swallow up more of the smaller competition thus increasing their own set density and enhancing their profits.

The discount houses have been looking sickly for a number of months and the latest jump in interest rates has only aggravated their problems, resulting in losses on their gilt portfolios. Back in 1973 when MLR was hoisted to 13 per



market setback the sector, with the exception of Thorn which is more of a general consumer durable stock, has held up against the falling market. So relatively the ratings are little changed, and that puts the report into its right perspective.

Retailing

The relative weakness of our stores sector has not been helped by special problems at Debenhams (the shares have shed a sixth this week). But the market does have wider issues on its mind with the latest tightening of the credit screw beginning to raise fears for hire purchase curbs and even adverse VAT adjustments. So confidence is understandably low—all of which compares quite strikingly with the general news background. The latest retail sales figures (for August) show that the modest upturn in volume is still intact and most companies have been making generally hopeful noises about earnings in 1976.

If retail sales volume in September only held level—and most observers expect further growth—the third quarter of 1976 will be around 3 per cent up on 1975. And within the overall figures some sub-sectors, notably consumer durables, are showing remarkable buoyancy. This week's half-term results from durables retailer Currys underlined this point. Before Thursday's MLR shock the group expected an interim pre-tax decline of 17 per cent to reverse into growth for the year under the impact of better demand, and improvements in quality of medical instrumentation.

Medical equipment sales topped £70m. last year and could be well over £100m. by next June; EMi's latest acquisition, Nuclear Enterprises, promises to keep the pace lively, taking the group into the ultrasound (low risk X-ray) fields of

After Tuesday's initial gross margins.

STERLING CRISIS EFFECT ON MARKETS

The table below shows index movements over the seven-month period during which MLR has moved from 9 per cent. to its current 15 per cent.

Index	% change	1976		Index	% change	1976		Index	% change	1976		Index	% change	1976		
		High	Low			High	Low			High	Low			High	Low	
Ind. Ord. Index	-27.8	420.80	292.70	Chemicals	-27.3	231.38	160.78	Govt. Secs. Index	-21.8	56.77	56.77	Office Equipment	-26.6	32.8	100.18	66.04
Govt. Secs. Index	-56.77	56.77	56.77	Shipping	-31.30	432.64	315.10	INDUSTRIAL GRP.	-29.2	165.38	114.42	Oils	-32.2	287.10	235.82	308.5
Gold Mines Index	-33.8	246.90	78.80	Contracting	-31.30	131.52	104.86	50% SHARE INDEX	-26.3	203.20	193.18	Electricals	-28.7	131.78	121.80	131.21
Building Mats.	-34.1	150.18	95.70	Eng'ng. (Heavy)	-26.3	287.10	203.82	Banks	-29.7	102.30	102.30	Eng'ng. (Gen.)	-26.3	149.50	149.50	149.50
Contracting	-34.1	150.18	95.70	Discount Houses	-26.3	45.72	45.72	Hire Purchase	-20.9	60.62	57.64	Machine Tools	-27.2	160.10	149.50	149.50
Electricals	-34.1	150.18	95.70	Insurance (Life)	-26.3	73.23	73.23	Insuranc (Comp.)	-33.4	119.75	75.05	Household Goods	-37.3	116.22	116.22	116.22
Electricals	-34.1	150.18	95.70	Insuranc (Brokers)	-26.3	57.10	57.10	Insuranc (Brokers)	-33.4	119.75	75.05	Motors & Dist.	-37.0	30.8	30.8	30.8
Electricals	-34.1	150.18	95.70	Investment Trusts	-26.3	124.21	121.50	Investment Trusts	-37.0	211.20	194.57	Breweries	-21.1	179.43	179.43	179.43
Food Mfgs.	-34.1	150.18	95.70	Light-Heavy	-26.3	125.80	125.80	Light-Heavy	-37.0	125.80	125.80	Wines & Spirits	-26.4	190.47	131.59	131.59
Food Retailing	-34.1	150.18	95.70	Championship	-26.3	121.20	121.20	Championship	-37.0	121.20	121.20	Ent. Catering	-27.5	32.20	32.20	32.20
News., Publishing	-34.1	150.18	95.70	Alvaro Lopez	-26.3	121.20	121.20	Alvaro Lopez	-37.0	121.20	121.20	Food Mfgs.	-27.5	125.80	125.80	125.80
Packaging, Paper	-34.1	150.18	95.70	John Conest v. Alvarez	-26.3	121.20	121.20	John Conest v. Alvarez	-37.0	121.20	121.20	Food Retailing	-27.5	125.80	125.80	125.80
Stores	-34.1	150.18	95.70	Alvaro Lopez	-26.3	121.20	121.20	Alvaro Lopez	-37.0	121.20	121.20	News., Publishing	-27.5	125.80	125.80	125.80
Textiles	-34.1	150.18	95.70	John Conest v. Alvarez	-26.3	121.20	121.20	John Conest v. Alvarez	-37.0	121.20	121.20	Packaging, Paper	-27.5	125.80	125.80	125.80
Tobaccos	-34.1	150.18	95.70	John Conest v. Alvarez	-26.3	121.20	121.20	John Conest v. Alvarez	-37.0	121.20	121.20	Stores	-27.5	125.80	125.80	125.80
Toys & Games	-34.1	150.18	95.70	John Conest v. Alvarez	-26.3	121.20	121.20	John Conest v. Alvarez	-37.0	121.20	121.20	Textiles	-27.5	125.80	125.80	125.80

+ Based on April 22, 1976.

† Indicates programme in black and white.

BBC 1

9.05 a.m. *Rugby* 9.30 On the Move 9.30 *Coloured Swap Show* 11.57 *Weather* 12.00 *Grandstand*: Goli (12.05, 1.30, 2.10, 3.30) *Piccadilly World Matchplay Championship Final*: Football Focus (1.05); *International Show Jumping* (2.35, 3.10) *The Horse of the Year Show*; 4.30 *British Animal* 4.45 *Big Brush Show* 5.05 *News*. 5.25 *Regional News*. 5.45 *Sport*. 5.55 *Regional News*. 5.55 *Dr. Who*. 6.15 *Brave Forsyth and the Generation Game*. 7.05 *The Duchess of Duke Street*. 8.00 *The Two Ronnies*. 8.45 *"The Quest"* (feature film showing a new series).

10.15 *News*. 10.25 *Match of the Day Special*. 11.40 *Parkinson*.

All Regions as BBC 1 except at the following times:

Wales 8.45-10.15 p.m. "The Naked Prey" (feature film). 12.40 a.m. *News and Weather* for Wales.

Scotland 4.45-5.05 p.m. *Scoreboard*. 5.45-5.50 p.m. *Top Score*. 10.45-11.40 p.m. *Sports*. 12.40 a.m. *News and Weather* for Scotland.

Northern Ireland 4.45-5.05 p.m. *Scoreboard*. 5.45-5.50 p.m. *Northern Ireland News*. 12.40 a.m. *News and Weather* for Northern Ireland.

England 4.45-5.05 p.m. *Scoreboard*. 5.45-5.50 p.m. *News and Weather* for England.

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Your savings and investments

The long winding-up saga

BY ERIC SHORT

EN THE Policyholder's Protection Act became law, many commentators really thought that in future, if a company ran into trouble, its shares would have every- thing resolved within days. The essence of Fidelity Life could have shattered that illusion. Policyholders have had to exercise patience since July 5, while the due processes of law have been enacted in slow but sure fashion. This is a further step was taken towards solving the Fidelity's position.

Investors with long enough memories will recall that after the first of negotiations a rescue scheme was devised under which the company would operate as a closed fund, not accepting any more business. Investors would be paid 100 per cent of the contractual value under their policies until the sums became due. Their creditors are offered reduced payments.

This week Mr Justice Slade the High Court directed the official Solicitor to watch over the interests of policyholders in proposed rescue scheme. A main point of doubt seems to be over the question of the unit-linked contracts. Prior to the liquidation the value of units quoted daily, but this was suspended once the petition was presented. The scheme proposes the value to be placed on unit-linked contracts should be to the price calculated at the due date following the adjourned until October 28 withdrawal or dismissal of the petition. It is expected that the Court will consider the rescue scheme. Policyholders must remain patient for a little while with both the equity and the markets in the doldrums at present those investors who longer and await the outcome before?

requested surrender in more propitious times would almost certainly get less than could have been expected. The other point of doubt is whether under the 1974 Insurance Companies Act this scheme can be implemented without prior meetings of policyholders.

What investors have to remember is that the only alternative to this scheme is liquidation. Although the Policyholder's Protection Act guarantees payment of 80 per cent of the policy value, it does not specify what that value should be and with a unit-linked contract it can change every day. It would be doubtful in a liquidation whether an historical value would be used. The counsel for Fidelity Corporation, the parent of Fidelity Life, has told the court that no not received any money should the policyholder be worse off with the rescue scheme compared with liquidation, but some will be better off than others.

The hearing has been adjourned until October 28 when it is expected that the Court will consider the rescue scheme. Policyholders must remain patient for a little while with both the equity and the markets in the doldrums at present those investors who longer and await the outcome before?

Route into gilts

UNCHING a gilt-edged fund the day that Minimum Lend Rate is raised two points to record 15 per cent is not the best proportion of owners for successful marketing. This was fate, however, of Property Growth when it unwrapped on Tuesday its latest product—a Gilt Edged Fund. Investors now link the company's property Growth Bond to this product. This launch fills a previous gap in the group's product range and investors are able to the bond to invest across the whole spectrum—equities, property, cash, managed and unmanaged.

Many investors must at selves, stock can be bought and sold over the Post Office counter. The Department of National Savings is now introducing Post Office employees, by means of its magazine, Key-points, in the intricacies of gilt-edged investment.

Meanwhile, there is only one "safe" haven for nervous investors in these troubled times, to go liquid. Most leading linked

out a further fall in prices if they are not forced to sell with more certainty than in equities. Investors can enter the gilt market through one of these specialised funds and in many ways would be advised to do so.

Not only will the fund be expertly managed—Property Growth is operating with Sheppards and Chase—but the size of funds makes switching feasible. Life companies have found that an active switching policy is a useful source of profit and switching is now quite a science.

But for those smaller investors who still like to do it themselves, stock can be bought and sold over the Post Office counter. The Department of National Savings is now introducing Post Office employees,

life companies now have a money or cash fund in their stable, a legacy of the 1974 bear market. But it is almost certainly too late to make the switch from equities or gilts without taking some hefty losses.

E.S.

Mutual funds

THIS WEEK the nine-month performance figures of the unit trust industry to the end of September (according to Planned Investments figures) showed that to income.

This also seems to be the case in Japan were far ahead of in the U.S. We rarely cover the rest of the field. This is not particularly surprising in view of the fact that these are the 12.2 per cent drop in more applicable to U.S. investors in the U.K. market during the period. In fact, where U.K. diversified funds are concerned, according to Lipper Analytical Distribution, once might have seemed, income funds are the impossible has now occurred. The leading group of mutual funds that the Target Preference and is now the top performer on 3rd quarter 1976 and 10 years a unit price increase of results to September 30. During 1 per cent. I remember that the 3rd quarter, the average in was not so many years ago come fund rose 4.56 per cent as

compared with the average gain of 0.46 per cent of 502 mutual funds. And over the last 10 years the average income fund gained 103.65 per cent which is considerably in excess of the 75.72 per cent achieved by the average mutual fund during the period. Income funds also figure highly in the roster of leading funds over a number of other periods, even excluding the specialised money market instrument funds. Lipper adds that industry sales have been relatively heavily weighted towards income funds for some time and speculates that the present enthusiasm in this direction is probably setting up a period in which low income equity funds will begin to show substantially better performance than the currently more popular funds." This sounds like the same wishful thinking that one meets with among fund managers in the U.K. C.H.

Preaching the gospel

IN THESE grim times, the trend seems to be that the disillusioned investor in equities is keen to pass his portfolio over to professional investment managers. This is why unit trust share exchange schemes have done so well over the past two years and now represent a significant part of the unit trust sales effort with investors queuing up to hand over their portfolios on favourable terms. But this is not the end of their problems for they start to worry about the falling value of their units.

In this sense Schlesinger Trust Managers reckon to have opened up a new area of investor public relations in that they have regular rounds of meetings with the fund managers as all part of their PIMS (personal investment management service). I attended one of these some time ago in London and this week went to one in Jersey. On both occasions I was struck with the high proportion of professional advisers as opposed to individual unit-holders and the difficulties which fund managers have in communicating complicated concepts at a comprehensible level. On this occasion I felt that even the professional advisers were in deep waters, let alone the individual, the subject being the loan route into overseas investment as opposed to the dollar premium route.

When discussing the premium it is easy to be reminded of what Lord Palmerston said about the Schleswig-Holstein question—that of the three people who had understood it, one had gone mad, another had died, and the other had forgotten it. So far as the attendees at the PIMS meetings were concerned it seemed apparent that they were more concerned that the managers understood it than they did. For the record, in simple terms, Schlesinger is an apostle of the loan route rather than premium, on the premise that at current levels of premium, counting in effect of the 25 per cent. surrender rule, the premium does not offer a defence against a fall in sterling and has offered little defence against the major declines in sterling during the past three years. The point is debatable for major falls in sterling involve managers with loans in "topping up" operations to maintain sterling collateral and there is also a vulnerability to a fall in the value of their foreign securities to take into consideration. Moreover, taking out the loan itself involves buying a certain amount of premium currency.

The fact the whole question boils down to the lesser of two evils inevitably means that most fund managers hedge their bets by having part of their overseas holdings in premium and part in loans. And even Schlesinger admits that it is flexible in this respect and would buy through the premium if it fell to lower levels. So far as the investor is concerned, I feel that it is the overall performance of the funds that counts and after a certain time it is all a question of looking at unit prices and seeing who has won. There is no point in being wrong for all the right reasons.

CHRISTOPHER HILL

Saved by the gong

AFTER ITS brief period of being in vogue five or six years ago the film industry in Britain is feeling the results of being in the investment cold. There was, therefore, an almost audible sigh of relief this week when film producer Michael Klinger and the Rank Organisation signed an film deal to make a series of pictures, largely at Rank's Pinewood, over the next two years. Rank will put up some of the money, Klinger the rest, both from his own resources and other backers.

Klinger has a very good recent track record, with big pictures like Gold and Shout at the Devil doing well in the international market, which is essential for success these days, and the Confessions series of sex comedies producing a delightful return on the investment.

The Klinger Rank deal has come just at the right time. The current round of big pictures being made in the UK, often with American money, looks like petering out in the middle of next year.

Rank's re-entry into the film production Big League is welcome news.

ARTHUR SANDLES

WHILE OTHER market sectors have been falling, plantation shares have shown their strength. Since the market peaked in May, the All-Share Index is down by a quarter while the plantation index is off only 7 per cent—and in recent weeks the index has actually been moving against the rest of the market.

The trading background certainly looks good for the plantation groups. The rubber price has been firm throughout the year, and despite the weakness in late summer caused by a U.S. rubber workers' strike, the spot rate was back up to 54p this week (the highest since June) on news of revised objectives for the U.S. This nationalistic attitude has flattened out. 1977 could be so there is always a certain amount of U.K. speculation that others could follow suit with a rise to reflect the dollar premium.

Plantation groups can be broken down into four sectors.

First are those with Malaysian earlier droughts in Malaysia domicile, the largest ones being

there could be a modest fall-off

Highlands and Lowlands, Kuala Lumpur, Kepang and Kulim.

For the U.K. investor this

means going through the fastest growing sector of the vegetable oil trade. However, broken down into four sectors.

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means going through the dollar premium market which may

long-term confidence in put some on. Still, these

rubber as a product, since price groups are free of dividend competition from synthetics restraint and on the face of it

eased after the oil price shot enjoy better yields than their

up. There is also the overseas U.K. counterpart. But the divi-

dividends factor which offers a

dollars are first subject to local

current currency hedge, plus the tax of 40 per cent., and then

fact that all the plantation

Next, on its own, comes Con-

freshland land. However, this solated Plantations, which is

last point has been depreciated 65 per cent. owned by Sime

up a fifth in 1976 to £5.9m.

Plantation shares showing strength

BY TERRY GARRETT

by recent Malay legislation Darby and has a U.K. domicile State at current use values.

The fundamental points for the shares are favourable, yet dividend restraint with an increased

buying interest has not come

final last month lifting the full

dividend by 60 per cent. for a

yield of 11½ per cent. Brokers U.K. carps has hardly been a

success, though moves elsewhere

have proved better and profits

this year should see a strong

recovery. However U.K. carpet

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premium.

Then there are the "three sisters" of the market—Golden

Hope, London Asiatic and Pata-

ting—which are all pure planta-

tion groups resident in the U.K.

All three are part of the Har-

risons and Crosfield stable, and

are good quality shares with

per cent. overhanging the market,

and so at just 2p above the

year's of 29½p (the high was

only 38p) the shares are yield-

ing 8½ per cent.

So there are opportunities for

investment, but potential buyers

should remember that the mar-

ket is a professional one and it

has a speculative aura at these

price levels.

and Pataing higher by £400,000 to £3.4m. pre-tax.

The one point with all these shares is their dismal yields. Golden returns 4½ per cent, while LA and Pataing stand on 6 per cent. yield. Because of their total overseas earnings, maybe they could argue for a substantial dividend increase, but as yet there has been no indications of such.

Guthrie and Plantation Holdings represent the two U.K. groups which have used their Malayan earnings to diversify elsewhere. Guthrie's move into Sime Darby may well be considered reorganising its assets which could be a strong upturn. However U.K. carpet is flattening out. 1977 could be so there is always a certain amount of U.K. speculation that others could follow suit with a rise to reflect the dollar premium.

Plantation Holdings has been

far more successful in its diver-

sification even if the share price

does not indicate it. But two

major share stakes Hutchinson

International (23.8 per cent.)

and Pahang Consolidated (27.5

per cent.) overhang the market,

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The Fund Managers are now actively looking for properties in the £100,000-£250,000 range where they expect steady long-term growth in good markets and defensive qualities if market conditions become difficult at any time in the future.

Past performance and future prospects all add up to a success story that is hard to equal.

For the investor wishing to enter this market, the Westminster Property Bond can be an ideal way of participating in what has historically been a sound investment, and all the indications are that this will continue to be the case in the future. The value of units can fall as well as rise but the Fund Managers believe the long-term pattern will be one of steady growth.

Details of the Fund are given below and the price will be held at 50.6p per unit until 31st October 1976.

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Finance and the family / Insurance

Abandonment of right of way

BY OUR LEGAL STAFF

Referring to your reply headed Abandonment of right of way (August 21), as I understand it, the relevant period for the acquisition of a prescriptive right of way is 20 years, but that period is calculated next before some action in which the right in question is brought. The user must be without interruption, but provided the person claiming to be entitled to use the right of way has not acquiesced in the obstruction for more than 12 months the enjoyment of the right is not treated as having been interrupted. How do you reconcile this with your reply?

Your assessment of the position under the Prescription Act, 1832, is quite correct. However the courts have avoided the difficulty of imputing abandonment to a prescribing owner if he does not make any use of the inchoate easement for a year or more before action is brought by inventing the fiction of "lost modern grant." A right of way may be held to have been acquired under a grant (non-existent) which has since been lost or destroyed; and proof of use for upwards of 20 years will enable the court so to hold, regardless of any interval before action brought.

Party walls in London

Where, owing to subsidence, structural and associated repairs are necessary to both sides of a party wall dividing two semi-detached houses in the London Borough of Wandsworth am I correct in the view that the owner of each house must bear an equal amount of the repair cost? If this view is correct and one owner (not residing in his house) refuses to entertain liability how can one fasten responsibility upon him for his equal half-share?

If, as appears to be the case, the property falls within the area of the old London County Council, the London Building Acts (Amendment) Act, 1939 applies so as to give special rights to building and adjoining

owners in respect of party walls. If the building owner invokes Part VI of the Act by serving a party wall notice, the adjoining owner can require a party wall award to be made—this will not necessarily result in equal sharing of cost, since the award will provide for a reasonable incidence of cost; and that may be to place the cost wholly on the building owner if the circumstances warrant it.

Pre-emption rights on resale

A friend has a large house and is considering selling off a wing. Is there any way he can ensure against acquiring neighbours he does not like in case of a re-sale?

It is not possible to take an effective covenant that would restrict the kind of people to whom a purchaser of property might sell, nor to give the vendor a right to veto a re-sale to a particular person or kind of person. However the result required can be achieved by giving the vendor a right of pre-emption on a re-sale, so that he can buy in the property at the market price on any re-sale proposed during the period of 21 years from the date of the initial sale. It is however difficult to make such a right endure beyond one further sale, as that can only be done by a covenant to procure the next purchaser to grant a further right of pre-emption.

Outside the Rent Acts

Referring to your reply under Outside the Rent Acts (June 5) you suggest that the owner of a flat or house may let the whole of the premises to two or more sharers and that so long as no part of the premises let is in the exclusive occupation of one of the sharers, that the letting would thus be outside the orbit of the Rent Acts. This is not my interpretation of the law and I am unable to find one reported instance where a residential

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

FOLLOWING the advice I have given in recent weeks on the purchase of disablement insurance, I have been asked to comment on the merits of the hospital cash schemes which are currently once again being much advertised. So I think I must say straight away that hospital cash cover is as different from traditional disablement insurance and is "chalk from cheese": moreover, this comment is equally true if one turns to compare hospital cash cover with the medical insurance schemes run by the non-profit making provident associations.

A typical hospital cash scheme is the one run by Hanover Insurance, an American company with offices in this country, and authorised to transact insurance here. The policyholder is covered at the rate of £120 per month, with a maximum of £1,500, for every day that he is in hospital: insurers pay 50 per cent extra if the policyholder has a heart attack or cancer, or if two insured people who live together are confined to hospital at the same time because of injury.

But—and this is a big but—insurers make no payment whatever to policyholders who are disabled at home even if this is before or after hospital treatment.

The averagely healthy adult citizen will be unfortunate if

he spends ten days in hospital in covered after only a month's stay straight away that hospital cash cover is as different from traditional disablement insurance and is "chalk from cheese": moreover, this comment is equally true if one turns to compare hospital cash cover with the medical insurance schemes run by the non-profit making provident associations.

Under the Hanover scheme the 40-year-old policyholder will pay just under £18 a year for his cover of £28 a week while he is in hospital.

If he is in a non-hazardous occupation, say a professional man or an office worker; for anyone first insuring at age 50 or more pays the maximum premium and thereafter age does not affect price, though it does affect cover: once he is 65, the policyholder has his cover reduced by 1/3, to £80 a month.

As insurers only require the would-be policyholder's name and address, age and sex, they can scarcely complain if they find themselves insuring less than averagely healthy citizens to get some degree of protection from this potentially adverse selection.

At the outset there may be an initial waiting period during which insurers will not accept illness claims, while thereafter there may be a seven day waiting period for such claims from policyholders with health problems that existed before the purchase of insurance only after the insurance has been continuously in force for two years.

But confinement to hospital on account of new illness is dual insurers' practice, this ex-

ception may be applied only to any ten-year period up to age waiting period, while injury is insured immediately.

Incidentally cover against accidental disablement is very much cheaper and any professional man spending £18 a year should be able to buy himself a personal accident policy providing benefit of well over £100 a week, again for a maximum benefit period of 104 weeks.

So from many aspects hospital cash insurance compares unfavourably with annuity renewals.

Subject to the financial viability of the particular policy, medical expense cover sold by the provident associations demobilises the policyholder against expenses incurred.

Already has some disability pay the agreed rate of benefit irrespective of the policyholder's income or outgo: normally capital cash benefit is received free of tax—in the nature of things few policyholders will be eligible for the maximum benefit of £1,500 but provided equally small is the protection.

Turning now to the medical expenses cover, provided in the main by BUFA, PPP and Western Provident. From the premium aspect hospital cash policies will be cheap by comparison: even this sum is received on a weekly basis.

But a weekly benefit of £28 is a complete contrast to the cost of a hospital bed in most leave it untaxed.

Amid the country's economic problems, and the Government's struggle to limit public expenditure, the ILLEA is faced with an expected reduction of staff in the number of pupils attending its schools next year. This would allow it to recruit by some 500 its recruits of new teachers, without raising the average size of class, which in turn would permit saving of about £1.8m in money it can demand as right for the education services it provides in the Inner London boroughs.

And what has the ILLEA decided to do? Given evidence of the Tyndale tragedy, I would doubt if any reader could fail to guess the answer. It is that rather than surrender any of its financial territory, the author wants to ignore the potential saving and employ the supernumerary teachers anyway.

MICHAEL DIXON

Ill winds and cash breezes

BY JOHN PHILIP

parts of the country is over a day. But hospital cash insurance is not designed to either for the bed, or for geons and anaesthetists operating theatre costs and like.

It is simply designed to the policyholder a relatively limited amount of money when he may suffer a loss of earnings or his family expenses covered by way of claim.

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Education

Economic lessons from the ILLEA

THERE ARE 24,294 teachers employed by the Inner London Education Authority, perhaps best known to people outside the capital for its ownership of the William Tyndale junior school. And when a meeting was held recently for teachers to discuss the disciplinary hearing which the ILLEA has set up for the six staff involved in the Tyndale troubles, it seems that about 24,084 of the authority's professional educational employees did not bother to turn up.

Among those who did, according to an informant who was there, it seems that people who put education before revolution were in the majority by about a dozen. But they had a hard time of it, and in the end the best they could do was to pass a motion in favour of having the disciplinary hearing, but against the sacking of any of the six teachers still being paid by the ILLEA who were blamed.

The first hint, after the publication of Mr. Auld's report on Tyndale, was the decision by the ILLEA's controlling Labour group to press for retribution generally beyond the limits advised by the authority's chief officer. Instead of taking disciplinary proceedings just against the six teachers still being paid by the group decided to go for all

for varying levels of incompetence by Mr. Robin Auld, the QC who conducted last winter's long-winded and costly public inquiry into the Islington school's egregious disorders.

On consideration, however, I wonder whether some of this evidently massive apathy among the Inner London teachers has not been induced, perhaps, by a process of osmosis, by the bungling antics of the ILLEA itself. Certainly the authority's public actions of late have hinted at a thickness of skull and skin to outmatch any diners.

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MEMO: TO ALL INVESTORS WHO WANT TO MAKE REAL MONEY

Investment sectors bounce about these days like so many rubber balls. Commodities shoot up, equities fall back, gilts are the best buy one month and the worst the next. So if you hope to make real money as an investor you have to be quick on your feet. More than ever, you must know the answer to the three "whens": when to buy, when to sell, when to switch from one investment sector to another.

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The Arts/Leisure

Literary Cheltenham

BY ALAN FORREST

Cheltenham is trying to break in 1837. Gurney who, as Geoffrey away from its image of curried Grigson put it, "the Cottagers and Cotswold cream wools as kind of Olympus where teas. Or so they tell you in the gods of earth walked" was a ready wine bars just off The A considerable war poet, but Promenade. So they tell you, too, rather overshadowed by the at the Town Hall, where hope Owens and Sasseons. His later springs eternal for their new verse, written under the stress of attempt at a development plan which will push the town into mental illness, was too despondent to be popular.

the 20th century — if only they can please 46 conservation groups.

Kavanagh and Grigson read the poems and the evening had dividend in Malcolm Arthur, a young baritone studying at the Opera Centre, a "discovery" of John Shirley-Quirk's at his Cheltenham Music Festival Masterclasses, who discussed and sang Gurney's songs. It was difficult not to want to Arthur when, commenting on somebody's description of Gurney as "a second Schubert," he said: "Well, like Schubert, he certainly set a lot of bad verse to music."

Gurney as poet went down well with the audience. Most of the copies of his poems vanished quickly from the bookstall in the Playhouse bar, announced that sales were soaring. As for authors as pop stars—well, Colin Wilson could have signed autographs until his arm fell off.

For a festival without a real "international star"—memories of Kvetushenko die hard in Cheltenham—response was gratifying. Patrick Kavanagh's hope, expressed from the stage on the opening night, that there would be real contact between authors and public, worked out. In spite of the packed theatre, something like intimacy was established.

And the finale, the evening with the winners of the poetry competition which drew 21,000 entries with mailbags blocking the town hall corridors, was a remarkable occasion.

I would like to have heard more from Philip Toynbee about his days as a runaway public schoolboy and his drinking nights around Fitzrovia, thrown away in a few sentences of his lecture; and it was astonishing that nobody tackled Doris Lessing on African politics, the heart of her earlier and best novels. But these are personal quibbles.

Theatres this week

OLIVIER—Tamburlaine. Worthy

tainment devised by himself out of Swift's writing. Interesting project by no means only for connoisseurs. Opened Wednesday.

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n Play

How to spend it

Suiting yourself



Photographs by Trevor Humphries

E you'll bear with me this is I take time off to ponder the problems of my own make. I had found myself in a classic dilemma of which cars are so fond but which is starting to the participant (in this case) that is I had been (two) full of clothes.

I start by thinking that I'd stay and sensible and get cleaned and mended and hemmed up or down as the night be. At first I got carried away, letting down into dresses, turning old dresses into shirts but they think for morale or for my come to that. I looked and neat and sensible, wasn't somehow the effect after. I'd fancied a look as rather more "mordaine" hat.

Then I thought I'd lash out by a few of this year's bits and I'd be updated in — here a poncho, there a ethnic slip-over, perhaps pair of cowboy boots. Or extravagant thought, if I something so totally different as "me", I might throw to the winds and at least devastating in something. I set out for the shops were enticing, magic-lends our imagination, enchanting — but what should I buy?

could opt for the Russian look — you know the of thing, very colourful, kites (make your lips immediately Russian and a knock-down £100), and it all an absolutely spot contrasting. Coats — blouse that adds several more to the waist and sets you back another. Alternatively, I could go the Apache look, wrapping colour blanket round myself as I gaze steadfastly into the greying mists of beside. Or what about the look — a little tattered, or colourful, and a bit tabard to go over them and now, cumbersome for every day.

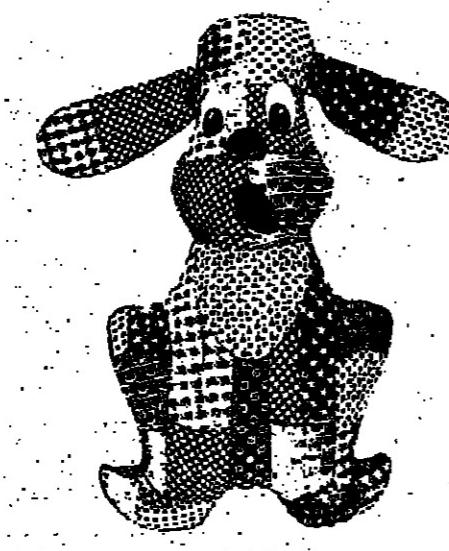
But there is also a series of things in this year's collection. At velvet jackets (particularly stage I discovered that desirable, we decided in bottle everybody I knew had green) which, when world manage to look good this year don't specialize in one manufacturer but offer an edited, co-out with cheque-books at almost anywhere in the events. able for nowadays — high enough ordinated selection of clothes they could buy. Every who think culottes are not for enough to stop most people being with anything else. Nothing d' them.

was at this point that I came the new Alexon collection. On, as far as I was aware, a good, rather steady, said doing very nice, good clothes that were fine for older people but not for

However, I was induced to go to see them because I'd told that they'd set up a did new distributing system Iton Keynes and had simultaneously eminently decided to for two markets — one was existing one which they want to lose but at the time they wanted to attract ger, more fashion-conscious who wanted to look up date but hadn't vast sums to it on.

wasn't very impressed at first. Rows of grey and camel, green, maroon — and it until the whole collection explained and shown to me I began to feel it was almost what I and so many of friends and colleagues led. First of all the clothes are all related. For instance, I'm off by buying a pair of

Make a toy



Many readers were interested in Agnes Kinnis' beautiful hand-made doll that I featured a few weeks ago but some lamented that, alas, it was beyond their skill to achieve the same effect. Well for those who are keen but not skilled there are a few books that Agnes recommends as being excellent for those who want to make basic rag dolls. There is "Dressing Dolls" by Audrey Johnson, published by Bell at £5, and two other books which are unfortunately out of print but which you may track down in a library. These are:

"How to repair and dress old dolls" again by Audrey Johnson (published by Bell); and "Making Dolls" by Ilse Gray (published by Studio Vista). All the designs in this latter book are on squared paper for which the True-Sew paper I mentioned last week is ideal. (You use the True-Sew paper for scaling up the design.)

A book called "Making dolls for pleasure and profit" by

Anita Holmes, whose dolls I wrote about in April will be available from the beginning of November. It is published by John Gifford and costs £2.95.

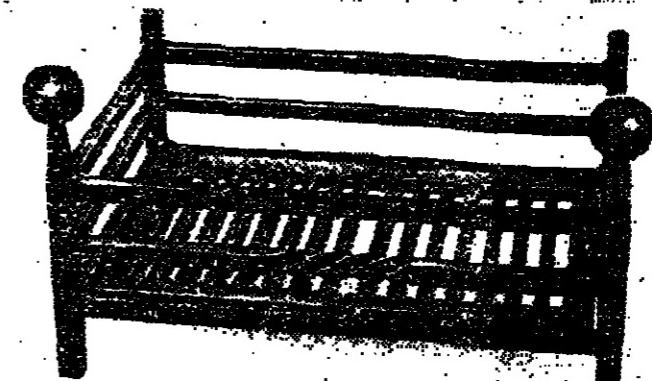
For those who want to feel they've made something themselves but really can't cope with anything complicated the simplest method I've come across is to buy Rose and Hubble's ready-printed fabric. Printed on the fabric is the back and front of a puppy — you simply cut out the shapes, sew up most of the seams and stuff (ideally with kapok) before closing the last of the seams. The ears are flat and are left unstuffed. A panel large enough to contain the shapes of the 18 inches-high puppy costs £1.10.

There are a variety of colourways and the fabric is 50 per cent cotton/50 per cent rayon. It can be found at Dickins and Jones, Regent Street, London W1 and Richmond, and D. H. Evans of Oxford Street, London W1 — all of whom will send it by post for 10p p and p.

Please supply (up to 24)

Financial Times under Post

Fired with nostalgia



TOP LEFT
From the Firestyle leaflet. The Kingsworthy Firebasket is made from wrought iron and has black or brass knobs. It is 20" wide, 13½" deep and 11½" high. £31 or £3 extra for brass knobs. There is also a size 24" wide for £37. It is available direct from Kingsworthy Foundry Ltd., Kingsworthy, Winchester, Hampshire. SO23 7QG.

Another fire accessory from Kingsworthy Foundry is this cast iron fireback. Prices vary from £12 to £85 depending on size. It can be bought direct from Kingsworthy.

TOP RIGHT
Polished brass and copper chestnut roaster by Beardmore and available from Beardmore branches in London, Bristol and Brighton. £7.

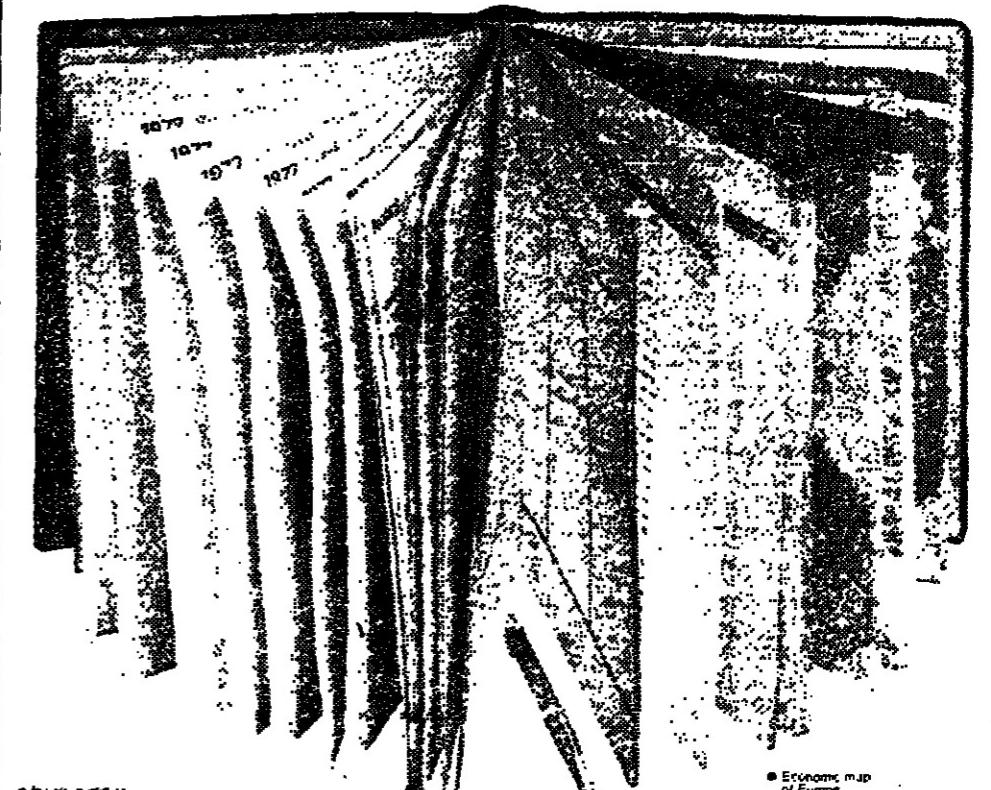


ducts so easily abroad (America) and buy some of the a collection of truly British items, many of them made by small firms who don't have the SFAS means to publicise their wares over for the home market office (there are 75 in the U.K.). Finally, it has been difficult for us to write direct to the SFAS consumers who are looking for Hobart House, Grosvenor Place, where to go and see a comprehensive Firestyle. Firestyle has itself range or to know much gathered together information on about the manufacturers who a big range of manufacturers between them produce products.

The Solid Fuel Advisory Service has set out to cure all the problems at once by encouraging the manufacturers and the retailers to make and sell more accessories to make them more available to the public, to generate more trade and therefore get the whole productive circle underway.

What this means to somebody who actually wants to go out to is that it has brought together

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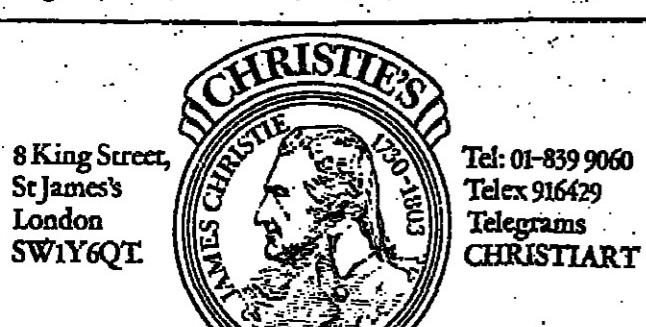
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CHRISTIART

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Ralph Wood Group of William III, in the guise of a Roman Emperor, Seated, Minton, October 1855.

Included in the sale of Fine English Pottery is part of the collection of the late A. C. J. Wall, a man renowned for his remarkable eye in choosing really fine examples of 18th century English Pottery. Among these items are figures and groups made by Ralph Wood. The manufacture was begun by Ralph Wood the elder (1715/72) who made saltglaze, Whieldon-type wares, figures and toby jugs and from 1754 built up a successful business to be continued by his son and grandson. The figures, mostly belonging to the Ralph Wood II period, i.e. 1770's, are superbly modelled, the figures being many figures made in porcelain, the stained manganese, yellow, brown and green glazes in no way impeding the quality of the modelling beneath. Among the figures are pastoral groups, classically inspired figures of Apollo, Neptune and biblical figures, but perhaps one of Wood's more interesting creations is the equestrian group illustrated above. The quality and variety of this group, written about in hallowed terms by Lord Mackintosh and illustrated in his book *Early English Figure Pottery*, should produce keen competition in the sale room. The model for this group may be seen in more gargantuan proportions, cast in bronze and residing in the centre of St. James's Square. For further information on the sale of English Pottery and Porcelain please contact Anton Gabzewicz at the address above.

Henry Spencer & Sons



John Piper R.A. Thedlethorpe All Saints. Gouache 23 x 13 inches. To be sold on October 22nd.

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A library of books. Removed from Hooton Pagnell Hall, Doncaster.

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Reford Salerooms.

FRIDAY 22nd

At Grimsthorpe Castle, Lincolnshire. Furniture and works of art. In aid of Lincolnshire Old Churches.

On the premises.

TUESDAY 26th and WEDNESDAY 27th

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oxes

Property round the Sussex Ouse

JINE FIELD

county town of East Sussex before he went, then near Rotten Row at the western end of the High Street is the handsome St. Anne's House, with eight main bedrooms, four secondary bedrooms and five bathrooms. Believed to have been built by John Apsley in 1719 (his initials and date are on one of the rainwater heads), from 1771 to about 1820 attorney Josias Smith owned this house, and until recently it was used as judges' lodgings. Listed, and within a conservation area, with planning permission for certain changes of use, the house has had a fairly chequered recent history since it was sold by the East Sussex County Council to a developer not so long ago.

The town is a useful starting point for the East Sussex property hunter, the High Street has a good crop of agents along it, although most are closed fast mid-day on Saturday. In the Lewes Information Office, so you may need to take your street names book with you. History of Lewes, which incorporates a guide to the town's under construction, from a local bookseller.

Clifford Dunn & Partners, Albion House, High Street, issue a regular Property Bulletin

which covers a wide range of prices and places—they have several other offices in Sussex—which they will send free to interested enquirers. As the area is popular with commuters as well as second-home seekers and those approaching retirement, "prices are kept fairly healthy" and business brisk, although there is a shortage of instructions on new property.

Their current list of properties on offer in the town includes a pair of period cottages in Sun Street, £3,000 the two. Timber-clad, they are probably the prettiest in the little street, but you would need to start from scratch work-wise.

If it's grander Georgian you

are after, Lewes has many hidden charms; as well as the High Street, that marking impossible (a by-pass under construction, from a local bookseller). Clifford Dunn & Partners, Albion House, High Street, issue a regular Property Bulletin

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are after, Lewes has many hidden charms; as well as the High Street, that marking impossible (a by-pass under construction, from a local bookseller).

The Street Names of Lewes by L. S. Davey, reveals that in history the town of Lewes takes its name from a row of almshouses that fell into decay and are now (rotten in its early days) "ratous" or "ratty" commonly used as a dirty expression to a rat-infested place), unpretentious byway.

St. James' Street now

lends to indicate that it once a route leading to the Gateway of the Priory Pancras. Chapel Hill, o the rock chalk of Cliffe follows the line of an old track or bostle, lead down from the hilltops of the early s. Thomas Paine, author of Rights of Man and The

Reason, lodged at Bull

eventually marrying the daughter.

Mr. Davey comments: "It is illuminating thought that after house" which would be snapped up by a majority of the house-hunting population—if it were available in the American market—could afford it. First, it is old: thought to date from Elizabethan times, it has, of course, been added to and altered since then. Second, it has a

comely look, being built of mellowed brick with partial tile hanging. Third, it is surrounded by countryside and has its own five-acre garden but is near to a commuting point to London. Fourth, the grounds contain a large barn and a square kiln east—sure-fire winners in the attractions ratings—which could be used for other purposes. Finally, the word "farmhouse" with exposed

beams and Inglenook fireplace have, in the past, always pulled in the crowds. Pity about the thatch. "Smiths Hill" is at West Farleigh, near Maidstone, Kent. It contains five double bedrooms, three main reception room as well as lots of odd bits and pieces. The asking price is £67,500 through Walter and Company, Station Way, Cheam, Surrey.

My tour took me mainly to the smaller villages around the Sussex Ouse where there is a

varied selection of property.

Ringmer is Callaghan country

for the full story, details and the price (probably "around £65,000 depending on whether agent and prices are all fairly well up-market. A schoolteacher

is included") apply to the I met who had just come to work in the district said she was finding it extremely difficult to discover anything she really liked and could afford. An

six-bedroom home in six acres enormous amount of spare cash

is included in the figure of sub-standard property, even with £75,000 being asked by Strutt & Parker, 201, High Street, Lewes itself there has been no rush for improvement grants,

and the number of applications shows a decrease on last year.)

There are some farm cottages

for sale in the countryside, price tag of £8,950, the other medium size country houses, with the larger type continuing for the brave with some extra agents. Clifford Dunn (Water, to be on the slow side, although through Clifford Dunn and Partners, Lewes, Listed, and

Partners, Lewes. Listed, and

HOME NEWS

Foot, Williams may vie for Short's job

BY RICHARD EVANS, LOBBY EDITOR

THE DEPARTURE of Mr. Parliament returns from the Edward Short from the Commons summer recess for the "spill over" of the current session and and Wireless will mean an early contest for the deputy leadership of the Labour Party and a by-election at Newcastle Central.

Mr. Short, a former Leader of the Commons, joins the board of the Government-owned telecommunications company next week and takes over as £9,080 a year chairman at the end of the month on the retirement of Mr. H. G. Lilliput. The appointment was announced yesterday by Mr. Eric Varley, Industry Secretary. The post of deputy leader, held by Mr. Short for four years, seems certain to be contested with Mr. Michael Foot, the Lord President, likely to be the candidate of the Left and Mrs. Shirley Williams, Education Secretary, the standard bearer for the moderate wing of the party.

A major question mark will be the attitude of Mr. Denis Healey, Chancellor of the Exchequer, who could see the deputy leadership as a way on to the National Executive Committee of the Labour Party following the loss of his seat a year ago.

In any event, Mr. Short's departure is likely to result in his replacement on the NEC by a moderate. If Mr. Foot becomes deputy leader he would be replaced on the NEC by Mr. Jack Ashley, MP for Stoke, runner up in the constituency section. If Mrs. Williams succeeds, her place would be taken by Miss Betty Boothroyd, a moderate back-bencher.

Arrangements for the contest will be made next week when the back benches.

Esso is seeking N. Sea licences

BY RAY DAFTER, ENERGY CORRESPONDENT IN NEW YORK

ESSO HAS applied for licences per cent. of a licensee's North Sea crude, Exxon and Shell have emphasised that this would long way from agreeing terms of State participation in its present offshore interests.

Mr. Howard Kauffman, president of the parent Exxon Group, confirmed here that Esso was seeking further licences in association with Shell. The groups are among the 133 companies seeking concessions in the fifth round of licensing.

It is not clear, however, whether Shell and Esso's refusal to agree in principle to State participation will weigh against its chances of being allocated new acreage as Mr. Anthony Wedgwood Benn, Energy Secretary, has indicated it would.

"It would be naive not to think that there would be an impact. But it would be unwise to think that we have been threatened," said Mr. Kauffman.

Lifting the veil of secrecy that normally surrounds participation talks, Mr. Kauffman said: "We have indicated our willingness to discuss the principle of participation." Referring to the gulf of differences between the companies and the Government, he said: "We hope that in time the gulf will be bridged."

Mr. Kauffman said that Exxon is particularly anxious to retain security of feedstock in order to meet its international demand and the needs of its U.K. customers. In order to meet the fuel oil requirements of the Central Electricity Generating Board, or instance, the group needs crude oil. The group is also seeking to retain flexibility in the way it exchanged crudes of varying qualities from different sources.

Initial participation agreements have resulted in the London market from America families and the adverse exchange of crude oil for premium income arrived on the part of millions of British families overseas in state run

Labour insurance plan under bitter attack

BY ERIC SHORT

THE LABOUR PARTY'S proposal to nationalise the seven leading insurance companies was bitterly attacked yesterday by Mr. K. G. Welch, president of the Association of Insurance Brokers.

In his presidential address to the association's annual conference at Blackpool he warned that if such a proposal was put into effect it would mean the end of the U.K. insurance industry as it was at present.

It was clear that little if any research had been carried out in drawing up the proposals.

He refuted the claim of Mr. Ian Mikkadon, one of the authors of the proposal, that the flow of insurance business would be affected.

Brokers must take an active part in ensuring that the public is well aware of the consequences of the nationalisation of the insurance business.

The private collector bought works by Braque for £4,100, Dufy for £4,600, Fichardt for £4,800 and Picasso for £4,500. The

highest price was £2,000 from London dealers Weinreb and Domene for

Braque's "L'Ordre des Oiseaux" and one of an untitled 1952 painting by Dufy for £6,200.

Heim Gallery which paid £1,500 for a crowded village street by Hoosier Cornelia Drouhet; £8,000 for a wooded river landscape attributed to P. Bout

Lejeune, estimated at only £1,500;

£7,000 for carousels peasants from the circle of

Brouwer.

Real personal disposable income, that is income after taking into account tax and price increases, was down by 1.1 per cent. in the second quarter. In

the second quarter, but rose by 1.1 per cent. in the first half of the year on a seasonally-adjusted basis. This confirms the preliminary figures already issued.

Between the second half of last year and the first half of this year, the average of all three measures of gross domestic product increased by 1.1 per cent. or an annual rate of less than 3 per cent.

This is very much less than the 4.6 per cent. growth which the Government has been predicting for the period up to the end of next year.

These figures cover a period too early to be affected by the present sterling crisis. The brought about by bad weather may have held up output a little, but their main effects would have been felt in the third quarter.

The most buoyant feature of the economy was profits. Gross was down by nearly 1 per cent. per cent. in the second quarter.

FACTOR INCOMES IN THE GROSS NATIONAL PRODUCT Seasonally adjusted									
		1974		1975		1976			
		1st qtr	2nd qtr	3rd qtr	4th qtr	1st qtr	2nd qtr	3rd qtr	4th qtr
Income from employment		52,494	68,181	11,630	12,405	13,641	14,818	15,934	16,621
Gross trading profits of companies		10,783	10,387	2,625	2,688	2,729	2,741	2,674	2,469
Gross trading surplus of public corporations		2,520	2,898	522	672	665	661	693	688
Gross profits of other public enterprises		123	114	38	27	28	30	31	23
Income from rent and self-employment		13,809	15,849	3,225	3,378	3,552	3,654	3,749	3,914
Total domestic income		79,729	97,429	18,040	19,170	20,615	21,904	23,081	23,715
Less stock appreciation		6,091	5,263	2,061	1,667	1,092	1,271	1,635	1,250
Residual error		-127	920	533	9	-136	-528	320	133
Gross domestic product at factor cost		73,511	93,146	16,517	17,512	19,387	20,095	21,766	22,598
Net property income from abroad		1,392	949	380	350	339	323	216	182
Gross national product		74,903	94,095	16,897	17,862	19,726	20,418	21,982	22,780
Gross trading profits of companies net of stock appreciation		5,875	6,280	885	1,356	1,875	1,759	1,405	1,485
								1,561	1,829
								1,767	2,023

Premier's policy aide to quit LSE

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

By Peter Hennessy,
Lobby Correspondent

DR. BERNARD DONOUGHUE, senior policy adviser to the Prime Minister, resigned his teaching post at the London School of Economics yesterday in order to remain in the service of Mr. Callaghan.

He was appointed by Sir Harold Wilson in March 1970 to head a new policy unit at 10 Downing Street. A senior lecturer in the government department at the LSE, and a political biographer of repute, he was granted three years' leave by the school. This expires at the beginning of term in January.

His team of seven was appointed from outside the Civil Service to provide an alternative source of advice for the Prime Minister and to maintain links with the Labour Party at large.

Its members are active in policy formulation on financial and monetary affairs, economic strategy, devolution and industrial democracy.

When Mr. Callaghan became Premier in April he asked them to undertake a study of unemployment.

The No. 10 Policy Unit is designed to complement the long-term planning of the Central Policy Review Staff or "Think Tank" in the Cabinet Office next door by concentrating on short and medium-term policy.

Dr. Donoughue's post is equivalent to the Civil Service rank of Under-Secretary. It carries a salary of £12,000.

THERE IS to be a major reorganisation of the hand tools manufacturing division at Edgar Allen, Balfour, and 480 jobs will be lost as a result.

The move is necessary to stem losses in the division which have been running at an annual rate of more than £1m.

Capital Toolworks in Sheffield will bear the brunt of the changes. It is to be closed, with the loss of 400 jobs.

Mr. John Oakley, Edgar Allen's chairman, said that losses at Capital this year totalled £600,000. There had been many years of heavy losses at the plant.

"Losses cannot continue in this division at this rate because other healthy units within the group would suffer," he added.

In any event, the half-year results "will be massive" reduced by the tool losses. The group's taxable profit for the six months to April 1975 was £1.49m, and for the year to March 26, it totalled £3.54m.

In late trading last night the company's share price fell 5p to 50p, the lowest point this year, but it was a day when share prices generally showed severe falls.

Other redundancies among non-production workers and engineers important in an industry which will still be at the Engineers Tools subsidiary in Shepcote.

OBITUARY

Lord Kindersley

LORD KINDERSLEY, who died on Wednesday, aged 77, had a complete honesty and a long and eminent career as a merchant banker and in industry and also distinguished himself in both World Wars.

The second Baron, he followed his father into the City and from 1927 until 1964 was managing director of Lazard Brothers and Co—which became associated with the Pearson family in 1919. He was also chairman from 1953 until 1964.

He was chairman of Rolls-Royce for 12 years until 1968, a director of the Bank of England for 20 years until 1967 and Governor of Royal Exchange Assurance from 1953 until 1969. After the merger of Royal Exchange and Guardian Assurance, he became the first chairman of Royal Exchange Assurance. His reputation was enhanced by his evidence as a director of the Bank of England before the Bank Rate Tribunal, established in 1957 to inquire into any improper disclosure of forthcoming interest rates.

He and his wife—Nancy Boyd, of Toronto—had two daughters and one son, Robert Hugh Molesworth Kindersley, a director of Lazard Brothers, who now succeeds him to the title.

The Tribunal's report said:

Books bring £103,000 at sale

ONE OF the finest collections of modern Continental illustrated books came under the hammer at Sotheby's, Clerkenwell, on Friday evening. The sale was a great surprise when the £103,000 (plus £3,000 in commission) paid by the London dealer Morton Morris, for a 1962 set of "Pieles Claves de 'A Roma', a wing glass with a toll and oysters.

The highest price was £2,000 from London dealers Weinreb and Domene for Braque's "L'Ordre des Oiseaux" and one of an untitled 1952 painting by Dufy for £6,200.

Heim Gallery which paid £1,500 for a crowded village street by Hoosier Cornelia Drouhet; £8,000 for a wooded river landscape attributed to P. Bout

Lejeune, estimated at only £1,500;

£7,000 for carousels peasants from the circle of

Brouwer.

Real personal disposable income, that is income after taking into account tax and price increases, was down by 1.1 per cent. in the second quarter. In

the first half of this year as a whole, it rose by 7 per cent. over the previous half-year.

The personal savings ratio has changed very little. After rising at 14 per cent. in 1974 and last year it started to fall at the end of last year. It reached 13 per cent. in the first quarter of this year and recovered to 12.2 per cent. in the second quarter.

Similarly, consumer spending was down by nearly 1 per cent. per cent. in the second quarter.

Product increased by 1.1 per cent. or an annual rate of less than 3 per cent.

This is very much less than the 4.6 per cent. growth which the Government has been predicting for the period up to the end of next year.

These figures cover a period too early to be affected by the present sterling crisis. The brought about by bad weather may have held up output a little, but their main effects would have been felt in the third quarter.

The most buoyant feature of the economy was profits. Gross was down by nearly 1 per cent. per cent. in the second quarter.

Real personal income, before tax and price increases, was down by 1.1 per cent. in the second quarter. In

the first half of this year as a whole, it rose by 7 per cent. over the previous half-year.

The average value of the products cleared was £170, against £160, while Town cheques averaged £545,000, against £520,000, and General cheques



MRS THATCHER acknowledged applause at the end of the Conservative conference.

Margaret marches in

BY PHILIP RAWSTORNE

ENTERING TO ELGAR, Mrs. Margaret Thatcher yesterday turned from party pomp to the country's circumstances.

Her speech did not fulfil the euphoric expectations of the conference—but it may have met the mood outside.

The Tory leader addressed herself primarily to the country's anxieties and doubts about the economic crisis and the ability of her party to form a government that could deal with it.

OVERSEAS NEWS

abin calls
Peres
resignation

Hans Adelmann

TEL AVIV, Oct. 8.

PALESTINE relationship between Israel's two top men moved towards open conflict to-day with Prime Minister Yitzhak Rabin's decision that his Defence Minister, Mr. Shimon Peres resign just before challenging him out of government.

It is a year to go before the time for general elections. Rabin's remarks in an interview with Ha'aretz were first public acknowledgement that he seriously thinks Peres will oppose him in the ruling Labour Party's national convention. In recent days, the Defence Minister has pointedly refrained from ruling out a fight for Rabin's job.

R. Rabin said it would be necessary of the first order if a fellow Cabinet Minister were to fail to declare himself openly. While citing legal opinion that such a challenger should first quit the Government, Mr. Rabin was aware that Israeli precedent sides only one recourse for getting rid of a minister, not his will—by the resignation of the Premier.

Mr. Rabin also criticised Mr. Peres by saying that occupying policies in the West Bank comes under the Defence Minister's direct preview. Last night, Mr. Rabin was

expressions of admiration for the ideals, if not the members of the group.

Another point of friction between the two men has been over the publication of secret documents which had to back up Mr. Peres' argument regarding U.S. negotiations he put over America's control of oil drilling rights in the Gulf of Suez. Mr. Rabin

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the Government's

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MLR at 15 per cent

The industrial strategy takes a knock

BY ADRIAN HAMILTON

NEVER the Government's day will be added to industry's. Even medium-sized companies on the moves to raise financing costs through more operating largely within the U.K. and raising their finance from other special deposits from affecting particularly smaller banks, it is clear that it has companies and retailers and to do with its overall other companies holding stocks of diverting resources of materials on overdrafts.

industry and ensuring The Government action com-

in through investment in top of a general squeeze on domestic demand must also be moves were opposed by have its impact in further de-

Eric Varley, the Industry Secretary, in Cabinet discus-

They are resisted by and domestic appliances manufacturers which are concen-

the industrial strategy targeted on the home market.

High interest rates or overdrafts

tend as one more blow to retailers will carry lower stocks,

by companies think High mortgages and bank loans

investment must inevitably mean a reduc-

re were made because the in demand for new housing

ment has got itself into building. More easily HP

on money supply, is will have a dampening effect

for a loan from the International Monetary Fund and has

its decision in preference to electrical equipment

broad, but politically meat, furniture and other items,

sensitive, package which

include further cuts in expenditure or higher taxation.

On account, it must further reflect from industry's willing. In general, the effect will depend

to invest, particularly if on how heavily they are in debt

higher interest rates remain and how much of this debt is

my time. By any account, in overdraft or variable interest

it must be regarded as loans as opposed to foreign cur-

able short-term macro currency or fixed-interest loans.

economic measure at odds. Smaller companies which tend

the Government's desire to be more heavily geared could

assurance that industry feel the impact fairly sharply.

be the last to suffer from On the other hand larger groups,

monetary action.

and particularly multinationals

moves are bound to have companies trading in dollar-

impact, particularly on quoted commodities such as oil

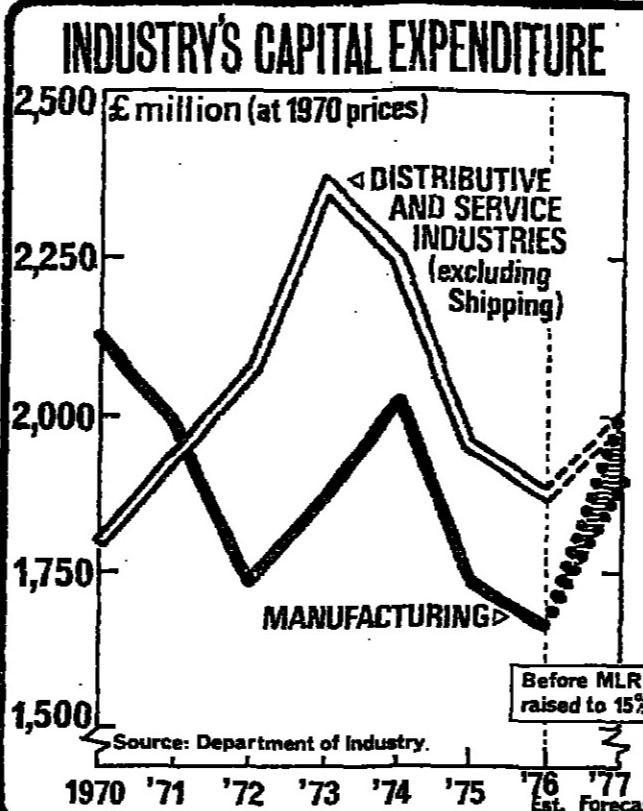
companies which are or chemicals, have long since

peared at the moment, moved away from sterling loans and

monetary calculations by the to foreign currency loans and

suggest that perhaps firms remain unaffected.

Geared



demand through credit restrictions, domestic demand, it could be seen, and a squeeze on real incomes, regarded as on the right track comes, in favour of promoting even if it has short-term implications for export-led growth and export-imported investment by manufacturers.

The real question is whether the latest moves can the move will, whatever face the

Government likes to put on it, be presented as a further step in its policy, emphasising the have an adverse effect on

the Government's determination to longer-term investment and ex-

chequer this week, has been avoided.

monetary-induced inflationary pressure on which the

Governments strategy so deliberately to depress home and to prevent restocking Government's strategy so des-

perately depends.

In a sense, the Government's demand and indications of a raising of interest rates and slowing down in the growth in of special deposits may prove all the more satisfactory.

Although bank lending to manufacturing industry has shown some rise in the first half of the year, in the last month or so it has tended to flatten out.

Owen, managing director of Rubery Owen, the motor com-

pany, said the signs of a faltering revival in the economy, the doubts on loan limits. The banks have promised to give preference to funds for export, import substitution or manufacturing projects and there is little reason to believe that the increased special deposits called for from the banks will lead to a shortage of funds for industry.

At the same time, restocking in industry seems to have levelled out, so that there is less fear than there might have been earlier in the year that the dramatic rise in interest rates might cause problems on this score. Surveys by the CBI and Industry Department suggest that an investment revival is under way as manufacturing

companies put into action projects delayed during the savage cut-backs of the recession.

But this, in another sense, is precisely the problem. So long as the revival in manufacturing activity is slow, then interest rates will not seem so important a factor. But an increase in manufacturing activity, and a growth in confidence to invest, will not upset our existing investment projects."

None of the harsher impact of the rise in interest rates is necessarily regarded as a bad thing by the Government or factoring industry. To the extent that the latest moves can the move will, whatever face the

Government likes to put on it, be presented as a further step in its policy, emphasising the have an adverse effect on

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LABOUR NEWS

Ford offers wage rises of up to £4

By ROY ROGERS, LABOUR CORRESPONDENT

A MOTOR yesterday offered still 4,000 hourly-paid workers a pay contract settlement pay-off from October 21. It includes £2.50 and £4 between £2.50 and £4, less cost of living increases of 2 per cent of basic rates received by Ford workers the present policy began. The modest lay-off pay improvements offered yesterday are hardly likely to satisfy the night shift strikers. Management has offered to increase the period of the 80 per cent benefit from 15 to 20 days, but refuses a commitment to pay parity with the company's European workers, full pay when laid off, external payments to cover internal or external disputes on the grounds that it would give militants a "license for disruption". Following yesterday's talks negotiations will resume next Tuesday. Before that, however, there will be weekend negotiations team, said he was aimed at resolving three disputes at the company's Enfield, Essex, plant where the pay policy. But the unions are not certain that Ford had offered the maximum permissible under new Cortina is at a standstill within the policy guidelines.

Rees resists policemen's claim for £6-a-week

By DAVID CHURCHILL, LABOUR STAFF

BERS OF 100,000 policemen the officials again pressed their England and Wales yesterday for a £6 rise backdated to no progress with their pay claim last month, even though the £6-a-week pay claim is £4. The federation claims that although its members received rises of up to £11 in September last year, after the £6 policy had been introduced, these were negotiated in June 1975. The police feel they are entitled to £6 rather than £4 as this year's pay increase.

Mr. Rees made it clear to the Wales branch of the Federation for next May's strike, the federation's secretariat, last night, that rank-and-file demands were reflected in demands for the right to deal in justice and are looking for justice themselves.

Third party appeals on certificates 'not allowed'

By OUR LABOUR STAFF

LABE UNIONS cannot appeal against certificates of independence, as no surprise, especially as once granted to other unions, the Association for the Employment Protection of Scientific, Technical and Managerial Staffs, had already pulled out of an appeal against the granting of a certificate to Courtauld's Group One staff association.

Now the TUC-affiliated unions who feel that the ease with which certificates have been granted gives an impetus to non-TUC staff associations, are switching their approach to the campaign for legislative changes to tighten up the criteria for certifying.

ASTMS, feel that it would be more effective to abolish the criteria of independence to be completed by next June. The Department said yesterday that this would have a greater effect on staff associations than major TUC unions.

Leyland plans for Mini given NEB go-ahead

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE NATIONAL Enterprise Board virtually cleared the way for British Leyland to go ahead with the major investment programme in its new Mini yesterday.

In a short statement after meeting in London, the NEB said that general approval had been given to the scheme. It added: "There will be further detailed discussion on certain aspects, in particular those relating to the commitments made by both the management and representatives of the workforce, to significant improvements in productivity associated with the new investment."

The decision follows intense negotiations with the unions this week to try to get satisfactory productivity commitments which would satisfy the Government's policy of backing the company. On Thursday the workers

voted well over 3-1 to pledge project, one of the most support for improving production facing the State-owned company.

The commitments which have been given so far apparently major reorganisation of the satisfied the NEB's most important criteria, and it is expected that further negotiations between the company and the NEB will take only about a week.

For Varley The plan, which involves an investment of well over £100m, is to significant improvements in productivity associated with the new investment."

The decision follows intense negotiations with the unions this week to try to get satisfactory productivity commitments which would satisfy the Government's policy of backing the company.

Underlying the plans for the new car—which will have a hatchback configuration, and use many of the same mechanicals as the present model—is the belief that the overall car market is moving gradually in the direction of smaller vehicles.

Leyland could thus be faced with a delay of up to another month before it receives the go-ahead to begin spending on the new four years.

Peugeot challenge to Chrysler U.K.

By TERRY DODSWORTH

CHRYSLER U.K. faces the in Iran of the Peugeot 504, and the only licence for a medium-size four-cylinder car in the competitor, Peugeot, in the Iranian market, where its own Paykan model is the only serious contender in the medium-size vehicle class.

An outline agreement has been drawn up between the a year will be set for 1982.

These moves will obviously come as a blow to Chrysler U.K., although it is proving particularly

The French company Renault also makes its small R5 model

makes provision for the assembly Up to now Chrysler has had in Iran.

Pact eases air routes dispute

By IAN HARGREAVES, LABOUR STAFF

BRITAIN and the U.S. have for a revision of the Bermuda carrying capacities on certain North Atlantic routes this winter and so removed, at least for the U.S. threat to suspend air services between the two countries.

The understanding, reached yesterday, is that on the London-Miami route there will be no more than six wide-bodied return services a week by each airline for five months and only five services a week during February.

Although the agreement appears a mutual compromise, it is being treated as a victory by the Department of Trade. It considers that the Americans have conceded two important principles: that governments should be able to intervene on questions of airline capacity and that there should be equal capacity for both countries' operators.

It is estimated that the Chicago-Miami agreement will raise seat factors from the 39/43 per cent the U.S. proposals remains to be seen what its attitude will be on routes such as New York where more than 50 per cent for Miami.

Meanwhile the U.S. Department of Agriculture has raised its forecast for the Soviet Union crop will be much lower, since a drop in yield has been offset by an increase in the acreage planted.

Trade sources believe this year's grain crop will be well down on last year's disappointing total of just under 14m tonnes. But the Ministry

of Agriculture has raised its forecast for the Soviet Union suggest that it still requires considerable imports to build stocks back up again to safe levels.

Grain harvest 'as last year' despite drought

By JOHN EDWARDS, COMMODITIES EDITOR

IN SPITE of the drought, the yields are not as bad as feared and therefore the U.K. harvest will be much the same as last year, according to estimates issued yesterday by the Ministry of Agriculture.

Meanwhile the U.S. Department of Agriculture has raised its forecast for the Soviet Union crop will be much lower, since a drop in yield has been offset by an increase in the acreage planted.

Trade sources believe this year's grain crop will be well down on last year's disappointing total of just under 14m tonnes. But the Ministry

of Agriculture has raised its forecast for the Soviet Union suggest that it still requires considerable imports to build stocks back up again to safe levels.

MONDAY—National Union of Agricultural Workers policy statement on farming and farm workers.

TUESDAY—Financial Times turnover of the catering trades (Aug.). Wholesale price index numbers (Sept.). Central Government financial transactions (including borrowing requirement) (Sept.).

FRIDAY—Japanese business delegation representing Kaidanren (Federation of Economic Organisations), arrives in London in the World Economy opens.

WEDNESDAY—National Coal

Economic Diary

Board and National Union of Miners meeting on pensions, Gremian Place, May 26.

Wednesday, Director General of Wholesale Price Index numbers (Sept.). Central Government annual dinner, TUC Economic Committee meets Congress House.

TUESDAY—Financial Times three-day conference on Australia in the World Economy opens.

THURSDAY—Meeting of National Consultative Council of Industrial Production (Aug.).

WEDNESDAY—National Coal

Mr. Reginald Freeson, Minister for Housing and Construction, to appeal for a minimum baseline

for the industry in the coming months.

Memorial service for the late Lord Feather, St. Martin in the Fields, London.

Balances of current account and overseas trade figures (Sept.).

FRIDAY—Japanese business delegation representing Kaidanren (Federation of Economic Organisations), arrives in London in the World Economy opens.

Index of industrial production (Aug.). Usable steel production (Sept.). Retail prices index (Sept.).

TEST YOUR I.Q.

IQ, of course, stands for Investment Quotient. And it doesn't measure how much you invest, it measures how well you do it. How safely, and how profitably. Anyone who fills in the form below and puts aside £10 a month or more, comes out with a very high IQ indeed.

£10 A MONTH?

Of course, you can save more if you want to. But as an example of what £10 a month can do, a man who started a Unit Trust Assurance Plan 20 years ago, linked to the M&G General Trust Fund, would have amassed £4,767 by September 1976 (after allowing for capital gains tax), plus a saving of at least £350 in tax relief over the period.

WHAT HAPPENS TO YOUR MONEY?

<div data-bbox="630 685 794 7

COMPANY NEWS + COMMENT

S. Pearson up by £4.54m. at midway

FIRST HALF 1976 turnover of S. Pearson and Son increased from £10.49m. to £13.65m., and pre-tax profit expanded from £10.03m. to £14.57m. Turnover excludes that of Lazarus Brothers and Co. and investment and property income.

Net taxed attributable profit is up from £4.4m. to £5.2m., to which is added £4.01m. against £2.24m. in extraordinary items. These consist, for both periods, largely of exchange differences arising from the conversion of overseas net assets. The surplus on the sale of the interest in A. W. Bain Holdings will be included in extraordinary items in the second half, it is stated.

Earnings per 25p share, before extraordinary items, increased from 5.05p to 7.79p and the interim dividend is raised from 1.4p to 2p net, to reduce disparity between interim and final. Last year's total was £5.4223p from pre-tax profits of £25.02m., compared with £20.43m. for 1974.

DIVIDENDS ANNOUNCED

not Mr. V. C. Jones as reported yesterday.

	Current payment	Date of payment	Corre-sponding div.	Total	Total last year
Adams Foods	0.58p	Dec. 14	0.53	1.15p	1.05
Catell Trust	Nil	—	Nil	Nil	0.06
Dominion & General Int.	1.5	Dec. 1	1.5	—	5.8
Farnell Elect.	1.39	Nov. 26	1.27	—	3.45
A. Goldberg	1.1	Feb. 19	1.1	—	3.74
LEP Group	2.12	Nov. 17	1.87	2.77	2.54
Macallan-Glenlivet	2.74	—	2.37	4.12	3.74
Merchants' Warehousing	1.56p	—	1.57	2.0	2.04
F. Miller (Textiles) Int.	1.3	Nov. 16	1.16	—	2.38
Office & Electronic	1.15	Dec. 2	1.05	—	3.32
S. Pearson	2.02p	Nov. 26	1.4	—	5.34
Rush & Tompkins	1.5	Nov. 19	1.28	—	2.47
Wettern Bros.	2.07	Jan. 6	2.07	2.5	2.5
				5.31	

Dividends shown per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital reduction of rights and/or acquisition issues. (a) Gross. (b) To reduce disparity.

Office & Electronic progress

much as companies situated differently, as it was involved mainly in exporting and held a substantial portfolio of overseas investments.

The investment programme had been completed bringing greater capacity to market services both in this country and overseas; at the same time efficiency had improved with the introduction of new equipment.

Although, in the short term, increased overheads were a problem, the company would benefit from economies of scale as a result of investment.

GKN sees earnings expansion

STEMMING FROM the benefit of the current world wide recovery of the motor industry, Guest Keen and Nettlefolds expects further earnings this year and next than it achieved in 1975.

This was stated by chairman Mr. Barrie Heath during a visit to Sacha AG, the West German combine in which GKN has a 24.88 per cent. interest.

His forecast is underpinned by increased investments this year to £70m. from £38.5m. of which £20m. is being invested in Britain and £20m. outside. In addition GKN will invest £50m. in the steel production sector between 1977 and 1979.

The increase in turnover was as forecast, and the advance in profit was also achieved despite increasing costs of materials. The international subsidiary has now been successfully integrated into the group, and the additional requirement for working capital to match the increased turnover has so far been met out of retained earnings, says the chairman Mr. E. Markus.

Six months 1976 1975

	Group turnover	£75,162,614	£62,065,088
Profit before tax	152,582,000	105,000,000	105,000,000
Minorities and pre-tax	3,247	2,291	2,291
Attributable balance	11,219	7,754	7,754
Total	156,838	107,045	107,045
Deduct minorities etc. pre-	1,916	1,181	1,181
portion	5,941	4,242	4,242
Net tax charge	4,813	3,257	3,257
Extraordinary credits	4,813	2,257	2,257
Net surplus	9,291	5,887	5,887
Preference etc.	964	624	624
Ordinary dividends	1,381	954	954
Balance	7,915	4,724	4,724

*Excluding Lazarus Brothers and Co. and investment and property income. †Including £10,000,000 of 1975/76.

Last month the company sold its 76.8 per cent. interest in A. W. Bain Holdings, which owns 50 per cent. of Bain Daves Group, to Inchcape and Co., for £5,664,000 cash and 93.919 Ordinary shares in Inchape. In consequence the results for the half-year exclude the profits of A. W. Bain, except to the extent of a dividend received of £10,600,000 on the last tax year.

Due to the adoption of the method of valuation of stocks and work in progress set out in the Statement of Standard Accounting Practice No. 8 issued by the Accounting Standards Steering Committee, profit before tax for the half-year increased by £616,000 and the net profit attributable by £205,000, it is stated.

Lord Cowdray is chairman of the group, the interests of which include banking and finance, investment trusts, newspapers and publishing (including the Financial Times), tableware, industrial commercial interests and property.

Doulton's first half growth

Doulton and Co., the fine china, lead crystal, etc. manufacturing subsidiary of S. Pearson and Son, reported first half 1976 turnover up from £54.88m. to £71.23m. and a pre-tax profit advance from £3.09m. to £5.34m. The figure for the year 1975 was £7.61m.

• comment OEM is on the wrong side of the sterling slide. Most of its office products are imported from Adler in Germany and these became 14 per cent. more expensive between January and June 30. But OEM can raise its prices only every three months and the lag explains the full year margin to 9.7 per cent. from 11.3 per cent. As a result, profits rose by 7 per cent. on a 24 per cent. increase in turnover. While the same currency trend is continuing in the second half, OEM's compensation is a strengthening market, with much firmer sales in the third quarter. But although turnover may grow at a faster rate, profits will do well to reach 8.1m. for the full year. At 47p his forecast is underpinned by increased investments this year to £70m. from £38.5m. of which £20m. is being invested in Britain and £20m. outside. In addition GKN will invest £50m. in the steel production sector between 1977 and 1979.

Six months 1976 1975

	Group turnover	£75,162,614	£62,065,088
Profit before tax	152,582,000	105,000,000	105,000,000
Net profit	356,513	231,400	231,400
Dividends	70,426	61,311	61,311
Retained	385,873	237,089	237,089

*Including £10,000,000 of 1975/76.

For the first half tax increased by £16,000 and the profit after tax by £5,000 due to the adoption of the method of valuation of stocks and work in progress set out in the Statement of Standard Accounting Practice No. 8 issued by the Accountants Institutes.

Extraordinary items not included produce net surplus of £147,000 (£33,000), arising mainly on the conversion of assets and liabilities in overseas currencies at rates of exchange ruling at June 30, less provision for possible losses on all overseas investment.

The recent troubles of sterling had not injured the group as is Mr. D. M. McBurnell, and weeks, it is stated.

Six months advance by Farnell

EXCLUDING a payment of £112,000—after tax of £53,760—of pension fund trustees to correct the second half, Farnell's compensation is a strengthening market, with much firmer sales in the third quarter. But although turnover may grow at a faster rate, profits will do well to reach 8.1m. for the full year. At 47p his forecast is underpinned by increased investments this year to £70m. from £38.5m. of which £20m. is being invested in Britain and £20m. outside. In addition GKN will invest £50m. in the steel production sector between 1977 and 1979.

This compares with £166,379, which excludes the net amount of the book profit of £16.817 million and maximum yield 124 per cent.

which suggests that the fall of a third from this year's high of 71p has been overcome, given preliminary indications of an upturn in the industry whose shares are traded on an average yield of 7.5 per cent. and p/e of 8.5.

Six months 1976 1975

	Turnover	£75,162,614	£62,065,088
Profit before tax	152,582,000	105,000,000	105,000,000
Net profit	356,513	231,400	231,400
Dividends	70,426	61,311	61,311
Retained	385,873	237,089	237,089

*Including £10,000,000 of 1975/76.

Gordon & Gotch much as expected

Despite the depressed conditions, sales and trading results of Gordon and Gotch Holdings were well up to the somewhat lower figures budgeted for in the current year, chairman Sir Anthony Percival said at the AGM.

The recent troubles of sterling had not injured the group as is Mr. D. M. McBurnell, and weeks, it is stated.

W. & J. GLOSSOP

Chairman of W. and J. Glossop published within the next four

ERSKINE HOUSE

Accounts of Erskine House Investment Trust. For the year to March 31, 1976 are not yet available as a result of a delay in production of a subsidiary's accounts. Group accounts will be

available within the next four weeks, it is stated.

GRAND METROPOLITAN

To comply with the rules of the Paris Stock Exchange, Grand Metropolitan announces that value of external sales increased

WALLIS (COSTUMIERS) profit cut to £0.4m.

DIFFICULT economic circumstances continue to affect the company to deal with the substantial advance in both turnover and profitability looked for in the future. However, it will take some time for these extensive developments to be reflected in future profits.

Since the year end shops have been opened in this country's two major new retail centres, at Brent Cross in North London and in Eldon Square, Newcastle. The shop in Belfast has now been rebuilt after the extensive bomb damage that occurred in 1973, and is now open again.

Three further shops within the group have been opened in Europe, and further possible additions to the retail outlets are now under review both in the UK and overseas.

After two years of intensive redevelopment and reorganisation, the directors believe they are establishing a firm base for future profitable growth.

The directors state that the surplus arising on their valuation of group properties is £19,000,000 against £19,000,000 last year.

During the year the company completed two major retail developments, says chairman Lord Mansfield, opening a new shop in Oxford and completing the extension of the company's Oxford Street, London, premises to 10,000 square feet, making this the company's largest shop. In addition, eight shops within shops were opened in major departmental stores, six of these being on the Continent.

However, the most significant advance has been the transfer of the company's head office and distribution centre to an office and distribution complex which is of sufficient size to enable the

company to be more competitive on the banking side. It was only from turnover that this side was excluded.

G. R. DAWES

Thursday's report on the results of G. R. Dawes inadvertently excludes that the figures excluded

the banking side. It was only from turnover that this side was excluded.

During the past two years the company has been active with developments of a group of new materials known as expanded matrix composite. In collaboration with the Electricity Research Centre a medium voltage joint system has been

developed which is now approved for use by Area Electrical Boards and through distributor.

With much of the reorganisation accomplished the company is in better position to take advantage of the opportunities presented.

An unchanged interim dividend of 2.0671p net per 25p share declared, absorbing £24,737. The year's total was £5,212p net profit of £16,000.

The company supplies building and road materials, etc.

The directors say disappointing results reflect trading performance of Weatherocean group of companies.

Until there is an upturn in demand, containment of Weatherocean situation remains major priority, they add.

Other operating companies operating satisfactorily and a number of new contracts awarded in the same period in 1975.

As reported on October 8, group pre-tax profit for the year to April 30, 1976 was £200,653 (£243,879 for 53 weeks), after a strong recovery in the second half.

Post Office 'to pay off its own pension deficit'

BY JAN HARGREAVES AND JOHN HUNT

THIS POST OFFICE must continue to pay off its huge pensions and Consumer Protection Secretariat deficit from its own treasury say no parliamentary revenues. The Government's authority exists at the moment announced yesterday in flat contradiction to the recommendation of a Commons select committee.

As part of its 1976 programme to liquidate the deficiency, which was last estimated in 1972 at £1.1bn, the Post Office last year paid out £91.6m—the equivalent of about 1p per inland letter and 0.3p for an inland telephone call.

The corporation had argued that 70 per cent of the deficiency, which arose prior to 1969 when the Post Office ceased to be a Government department, should be met from Government sources.

But in a White Paper published yesterday, the Secretary of State for Posts and Telecommunications, the Chancellor of

the Exchequer and the Prices Fund say no parliamentary revenues. The Government's authority exists at the moment announced yesterday in flat contradiction to the recommendation of a Commons select committee.

They point out that under the provisions of the Post Office Act 1961, the Post Office was required to pay sufficient money out of its current revenue to cover the cost of pensions.

Their state bluntly: "The cost was that users of Post Office services should meet this cost and not the taxpayer."

The Post Office was taking the view last night that the Government's refusal to help with the deficit would make it much more difficult to maintain price stability beyond the guaranteed dates of January for letters and July 1977 for telecommunications.

Court case may slow Maritime Fruit deal

BY JOHN WYLES, SHIPPING CORRESPONDENT

AN UNEXPECTEDLY protracted Cunard's chairman, admitted High Court hearing may delay yesterday that the deal may not be completed before the date Cunard proposed to Maritime's creditors.

The delay is not expected to damage the prospects of a final settlement seriously. Cunard is more worried at the moment about the outcome of the High Court case, which if it lost would reduce the number of U.K.-registered refrigerated (reefer) cargo ships being acquired from Maritime from 12 to 10.

The court bid to halt the forced sale of two Maritime ships included in the Cunard fleet will move into its fourth day on Monday. With a judgment unlikely before Tuesday or Wednesday, Mr. Victor Matthews,

National Westminster Bank

Rate Changes

National Westminster Bank announces that for balances in its books as from and including Monday, 11th October, 1976 its Base Rate for lending is increased from 12% to 13½% per annum and its Deposit Rate on all amounts lodged subject to seven days' notice of withdrawal is increased from 8½% to 10% per annum.

Savings Accounts will now attract interest at 10½% per annum.

F. MILLER (TEXTILES) LIMITED

At today's meeting of the Board of Directors, an Interim Dividend was declared of 1.300p on the Ordinary Capital of £540,000 to be paid on 16th November 1976 to Shareholders on the Register at 29th October 1976. This compares with the Interim Dividend of 1.159p paid last year on the same Ordinary Capital.

It is the Board's current intention to pay a final dividend of 1.300p (See Note 1).

The unaudited figures of the Company for the six months ended 13th August 1976 are as follows:

	Six Months to 13 August 1976	13 August 1975
Turnover	£1,782,383	£1,545,833
Trading Profit	311,201	257,156
Net Interest	115,087	94,833
Profit before Taxation	426,288	351,958
Taxation (See Note 2)	218,544	200,597
Profit after Tax	207,744	151,392
Interim Dividend of 1.300p per share (1975—1.159p)	70,232	62,618
Total Retained Profit	£137,512	£115,774

Note 1
Your Board has decided it would be in the interest of Shareholders to pay half the total year's Dividend at the interim stage and half as a final dividend. The Interim Dividend just declared has been calculated on the basis of increasing the total dividend paid by your Company for the year by 10%, i.e. the maximum permitted by current Government legislation.

Note 2
The tax charged for the current six months is calculated at 52% on adjusted taxable profits (1975—62%). The provision shown is the total estimated tax liability by the Company. Advance Corporation Tax already paid during the period is £35,044 (1975—£27,587).

As can be seen from the results, pressure on margins has continued and it is only by a substantial increase in our turnover, combined with great efforts to increase our efficiency that we have been able to increase our profit. In my statement with the Annual Accounts, I said that we were considering a large extension to our existing Factory. Work has commenced on an extension of 92,000 sq. ft. and it is anticipated that this work will be completed by the end of 1977. In view of the economic difficulties which exist throughout the country, the Board do not consider it useful to forecast results for the full year at this time. However, your Board's confidence in the future is demonstrated by the decision to go ahead with the extension to our Factory.

This week's SE dealings

Friday, October 8 6,279 **Wednesday, October 6** 5,012 **Monday, October 4** 4,234
Thursday, October 7 4,990 **Tuesday, October 5** 4,625 **Friday, October 1** 4,659

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings quoted in each section follows the name of the section. Unlisted companies quoted shares are quoted in full and stock CIBL quoted shares are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of the Stock Exchange have been recorded in the Stock Exchange Daily Official List. Members are not obliged to make bargains, except in listed stocks.

Bargains at Special Prices. A Bargain done with or between non-members of the Stock Exchange is not recorded in the Stock Exchange Daily Official List. Members are not obliged to make bargains, except in listed stocks.

Bargains done previous day. 3 Bargains done with members of a recognised Stock Exchange. 4 Bargains done for delayed delivery or "on delivery". 5—Australian; 6—New Zealand; 7—Singapore; 8—United States; 9—Overseas Indian.

British—SICB—Australian; 2—Overseas Indian; 3—Overseas Indian; 4—Overseas Indian; 5—Overseas Indian; 6—Overseas Indian; 7—Overseas Indian; 8—Overseas Indian; 9—Overseas Indian.

case, and the lot cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not given in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains done with members of a recognised Stock Exchange. 3 Bargains done with members of a recognised Stock Exchange. 4 Bargains done previous day. 3 Bargains done with members of a recognised Stock Exchange. 5—Overseas Indian.

Construction Holdings (25p) 409, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 979, 980, 981, 982, 983, 984, 985, 986, 986, 987, 988, 989, 989, 990, 991, 992, 993, 994, 995, 995, 996, 997, 998, 998, 999, 999, 1000, 1001, 1002, 1003, 1004, 1005, 1006, 1007, 1008, 1009, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1017, 1018, 1019, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1076, 1077, 1078, 1079, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1085, 1086, 1087, 1088, 1088, 1089, 1089, 1090, 1091, 1092, 1093, 1093, 1094, 1095, 1095, 1096, 1097, 1097, 1098, 1099, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1108, 1109, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1115, 1116, 1117, 1118, 1118, 1119, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1125, 1126, 1127, 1127, 1128, 1128, 1129, 1129, 1130, 1131, 1132, 1132, 1133, 1133, 1134, 1134, 1135, 1135, 1136, 1136, 1137, 1137, 1138, 1138, 1139, 1139, 1140, 1140, 1141, 1141, 1142, 1142, 1143, 1143, 1144, 1144, 1145, 1145, 1146, 1146, 1147, 1147, 1148, 1148, 1149, 1149, 1150, 1150, 1151, 1151, 1152, 1152, 1153, 1153, 1154, 1154, 1155, 1155, 1156, 1156, 1157, 1157, 1158, 1158, 1159, 1159, 1160, 1160, 1161, 1161, 1162, 1162, 1163, 1163, 1164, 1164, 1165, 1165, 1166, 1166, 1167, 1167, 1168, 1168, 1169, 1169, 1170, 1170, 1171, 1171, 1172, 1172, 1173, 1173, 1174, 1174, 1175, 1175, 1176, 1176, 1177, 1177, 1178, 1178, 1179, 1179, 1180, 1180, 1181, 1181, 1182, 1182, 1183, 1183, 1184, 1184, 1185, 1185, 1186, 1186, 1187, 1187, 1188, 1188, 1189, 1189, 1190, 1190, 1191, 1191, 1192, 1192, 1193, 1193, 1194, 1194, 1195, 1195, 1196, 1196, 1197, 1197, 1198, 1198, 1199, 1199, 1200, 1200, 1201, 1

STOCK EXCHANGE REPORT

Markets above worst but still highly sensitive

Index 3.3 off at 292.7, after 284.1, for two-week fall of 56.2

Account Dealing Dates
Option
First Declara- Last Account Dealings

Last Account Dealings

Oct. 12

Oct. 14 Oct. 15 Oct. 26

Oct. 18 Oct. 28 Nov. 9

"New date" dealings may take place from 9.30 a.m. next business days earlier.

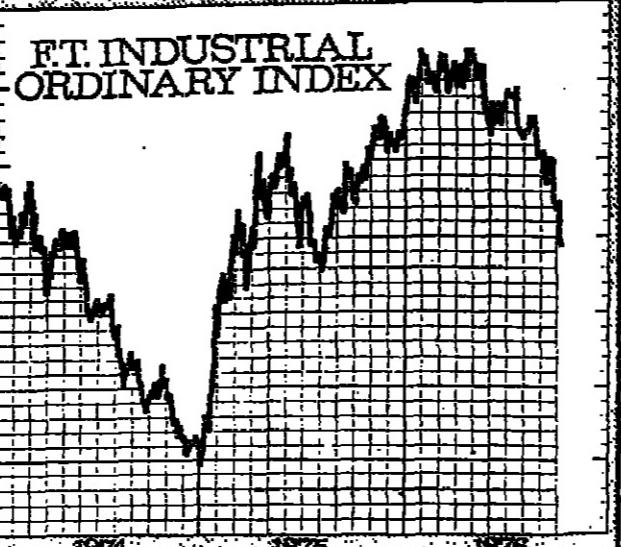
Conditions in stock markets remained extremely volatile after Thursday's sharp setback, 1974, "A," at 292, some 51 points below its issue price of 283, overshadowed all else in British Funds.

Such was the force of demand, either by straight buying or consideration switching out of other issues, that the Government broker raised his selling price by one pence down on balance. On the other hand, long-dated Gilts edged record fresh falls, ranging to 1% and held at that level after the latest downward announcement of the top £200m tap stock, Treasury 151 per cent, 1998. Although short-dated issues showed further losses, the tone here was much steadier following reactivation of the top stock Treasury 111 per cent, 1979 "A," which met with a big turnout and closed at 282. News of the issue of £200m Treasury 3 per cent, 1982, stock prompted a reaction in existing low-coupon maturities and Treasury coupon issues. The Government Securities Index reacted 0.51, after a fresh 1.6% fall of 2.36 on the week.

Leading equities encountered some heavy selling before recovering well on bear closing. This was mirrored in the FT 30-share index which touched its low point of the day at 11 a.m. 18.2 per cent, before a close of 122 per cent, a net fall of 8 points.

Yesterday's £1 conversion factor was 1.125, while the closing 8 loss of 11.8% was slightly above only 3.3 down on balance at 292.7. However, the index has fallen 56.2, no less than 16 per cent, over the past two weeks.

There was little recovery in its lending rate to 14 per cent, the others were increased to 13 per cent) ended the day unchanged at 218p, after 210p. National, while Equity and Law dipped 11 Industrials which changed, no Westminster also closed to 283, and General Accident 10 less than 1073 fell and only 32 unchanged at 187p, after 189p, to 122p. Brokers were also widely



but Lloyds shed 3 to 167p, after lower. A. Howden, still reflecting 180p, and Midland were 2 off at the proposed £12m rights lost 10 218p, after 210p. Bank of Scotland down 13, after 185p. Discounts were particularly weak at 192p, down 13, after 185p. Discounts

continued to give ground: Union 180p, more to 235p, while Clive 180p, and Merchant 180p, fell to 205p, and losses of 8 were re-

corded, notably in King, 183p, and 180p, and Fox's Biscuits, 180p, to 185p.

The Brewery leaders closed with 180p, after 185p. Redland 180p, and 180p, after 185p. Edgar

London rallied from the worst of 180p, after 185p, and GKN 180p, after 185p, while the rest of the group 180p, after 185p, and 180p, after 185p.

Engineering 180p, after 185p, and 180p, after 185p, and 180p, after 185p.

Buildings lost ground again, sentiment being affected by soaring money and fears of more public spending cuts. Redland 180p, after 185p, and 180p, after 185p.

After touching a 1976 low of 180p, KCI rallied to close 5 easier on balance at 278p.

Fears of an imminent introduc-

tion of fresh measures to curb Harris and Sheldon were consumer spending caused lead unaltered at 36p; the price in Stores to react afresh before recent issues was incorrect.

Sharing in the late rally to close Apart from Lucas Industries, 4 off at 144p, after 139p, Motors and little changed on the day.

Leading Electricals rallied from initial weakness to close little closer at the day's worst. Arm-

strong Equipment eased 3% to 180p, while Dowty, 110p, and Lamp, however, were noteworthy 25p, while 184p, both for a reaction of 36 to 184p on dollar premium and Overseas ad-

ditions. Decca declined 8 to 180p, unchanged at 180p, following the while United Scientific, 180p, and statement that Heron Motor (3 Ward and Goldstone, 180p, lost 10 apiece. Thorn remained at 180p, and purchased British Rail shareholding of 180p per share. BB closed marginally and 144p.

Paper/Printings were finally changed on balance. Philips 180p, while 184p, both for a reaction of 36 to 184p on

Automotive Products, 180p, both for a reaction of 36 to 184p on dollar premium and Overseas ad-

ditions. Decca declined 8 to 180p, unchanged at 180p, following the while United Scientific, 180p, and

statement that Heron Motor (3 Ward and Goldstone, 180p, lost 10 apiece. Thorn remained at 180p, and purchased

British Rail shareholding of 180p per share. BB closed marginally and 144p.

Engineering 180p, after 185p, and 180p, after 185p.

rebound from early depressed levels, but secondary issues closed sharply lower. Hawker, son sustained a fall of 10 to 250p,

for instance, ended a net 4 higher after 243p, while other losses in 182p, after 238p, and GKN 2

180p, after 185p. Weighurn dropped to 180p, after 185p, while 180p, after 185p, and 180p, after 185p.

Westinghouse 180p, after 185p, were above the lowest, but still 7 down at 180p, after 185p, and similar losses were sustained by British Northrop, 180p, and 180p, after 185p.

Edgar Allen Balfour came back 5 to 180p, after 185p.

London Engineers were finally

marginally easier with the exception of Chapman (Batham),

down 5 to 180p. In contrast, Thom-

son 180p, after 185p, and 180p, after 185p.

After touching a 1976 low of 180p, after 185p, and 180p, after 185p.

Engineering 180p, after 185p, and 180p,

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Bristol, Glasgow, Manchester, London*

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For ocean development,
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and environment protection.

MINES—Continued

FAR WEST RAND

1976

High	Low	Stock	Price	st	No.	Ctr	T.M.	P.B.

Div	Yield	Yield	PE

Div	Yield	Yield	PE

Div	Yield	Yield	PE

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Cruising means



FINANCIAL TIMES

Saturday October 9 1976

MAN OF THE WEEK

Bumpy road to success

BY TERRY DODSWORTH

BECAUSE THE Leyland Cars management has sailed into at least three serious confrontations with its workforce during the last 12 months, several critics have begun to question the ability of Mr. Derek Whittaker, its managing director, to sort out one of Britain's most intractable industrial problems. What the Cars group needs, the argument goes, is an experienced and respected negotiator (and British Leyland has the archetype, Mr. Pat Lowry, sitting in its London headquarters) who can smooth over the occasional eruptions as the company progresses towards the brave new world mapped out by Lord Ryder. According to this account, Whittaker, a stubborn, Ford-bred accountant, is too insensitive and unsympathetic for the job.

This view gathered force earlier this week when in an apparently clumsy message to the Longbridge workforce, Whittaker spoke of mass closures and redundancies if an early agreement was not reached on productivity standards for the planned new Mini. Even commentators who had argued only a year ago that Lord Stokes' biggest failure was his inability to swing the axe dismissed the message as empty rhetoric. But Whittaker had the last word: by 4 pm on Thursday, his deadline for agreement, a heavy majority at the Longbridge plant had swung into line behind the productivity proposals.

Unreality

It must obviously be true that there is an element of unreality in these threats. The attempt to close a plant like Longbridge would be an extremely messy and almost certainly impossible job in to-day's political climate. Nevertheless, Whittaker and his top team have so far carried the key shop stewards on the participation committees along with their own view of the company's future. The management has not really lost a major battle.

Whether Whittaker can rely much longer on a strategy which runs the risk of isolating the union leaders from the shop floor is an open question. But it is an advance on previous history that he has got his message across at this level. Perhaps this is partly due to his manner — cool, classless and unassuming, but extremely direct. He has an accountant's passion for paring problems down to essentials; and while he is not a particularly articulate man — a weakness which was painfully exposed in his first TV appearance last December — he has worked hard and successfully in the studios to develop a more confident public presence.

Whittaker's views on management are predictably straightforward. Commenting on the problems of another company the other week he said simply that all it needed was a dose of "better organisation and control." He runs his own timetable to a strict regime, travelling to Coventry every day by chauffeur-driven car, working a 13-hour day, but aiming to get home to Henley and his wife and three children by 8.00 in the evening. He has an abrupt way of ending interviews. Suddenly the conversation stops, silence descends, and there is no way out but the door.

Discipline

This sense of discipline about work is a characteristic of the group of former Ford executives who now run Leyland. Whittaker is a slightly unusual product of the Ford management training system in that he did not go to university. But his experience embraces both cost accountancy and manufacturing: he was born to the motor industry, his father managing Briggs Bodies.

If he has his way on model policy (and there is considerable argument about this at present), the company will probably move towards a basic three to four car line up trying to seek out a slightly higher quality niche in the market than Ford — which explains the pleas for better quality and continuity of supply. But the two big questions for the future are whether he has the persuasiveness to carry his management team and unions with him on this; and whether he has the kind of feel for the industry which enabled Volkswagen to emerge from virtual product disaster at the end of the Beetle era with a bright new range.

Hearing ordered for plea to extradite Slater

BY MARGARET REED

MR. MERLYN REES, the Home Secretary, has after four months' delay set in train the procedure for the Chief Metropolitan Magistrate to hear the Singapore Government's request for the extradition of Mr. Jim Slater, the financier, and four of his former colleagues.

Mr. Slater, who until a year ago was chairman of Slater Walker Securities, faces nine charges concerning their former management of Haw Par Bros International, the Singapore company in which SWS previously had a large stake.

Orders made

Mr. Slater has said recently that there is no possibility of his going voluntarily to Singapore because of his fear that he would receive a fair trial there. In Britain he already faces, as a former officer of Slater Walker, 15 summonses concerning \$5m. of loans, under Section 54 of the Companies Act, 1948, which prohibits companies' financing the purchase of their own shares.

Disclosing Mr. Rees' decision yesterday, the Home Office said: "The Home Secretary has made orders under the Fugitive Offenders Act, 1967, authorising the Chief Magistrate at Bow Street to proceed to consider the application from the Singapore Government for the extradition of Mr. Jim Slater. Mr. Richard Charles Tarling, Mr. Ian Keith Tamblyn, Mr. Donald Edgar Ogilvy Watson and Mr. Patrick Robert Gerald Goodbody."

Since the end of 1975, the group has sold £12.9m. of property with a book value of

£12.7m. Over the same period chairman of Haw Par, Mr. the banking loan portfolio has been reduced from £90m. to some £65m., of which £40m. is subject to the Bank of England guarantee. The company has also sold £4.7m. of investments and collected £10.9m. of debts, boosting cash by £15m.

Mr. Kenneth Barraclough, the Chief Magistrate, has to decide whether an extradition order should be issued. The usual procedure would be for him next to issue committal warrants, so that Mr. Slater and the others were brought before the court. Last night Mr. Slater's solicitor, Mr. George Staple of City solicitors, Clifford Turner, said: "We're simply waiting to hear from the court."

In the event of extradition orders being issued it would be open to those concerned to appeal through a lengthy procedure. In the final resort the Home Secretary has power to prevent extradition.

Although extradition hearings could proceed meanwhile, it would not in any case be possible to extradite Mr. Slater until the 15 summonses under the Companies Act had been disposed of.

The committee of inquiry is expected to have a wide-ranging membership and be headed by a retired judge.

It will be asked to complete its work by January next year. Depending on its recommendations, the Government could move rapidly to bring in legislation strengthening the regulatory powers of the accountancy bodies.

Mr. Dell called for a meeting with leaders of the profession last Tuesday. Another meeting between the Secretary of State, Government officials and the president of the Institute of Chartered Accountants in

England and Wales.

Portugal puts 50% deposit on imports

By Paul Elman

THE PORTUGUESE Government today announced new austerity measures, including a 50 per cent. import deposit scheme, in a bid to reduce the country's big balance of payments deficit.

In a series of decrees, Sr.

Sousa Gomes, economic co-

ordination Minister, raised the

tax on imported consumer goods

to 30 per cent. and imposed a

60 per cent surcharge on luxury

goods.

The first group covers such

items as household goods and

vehicle parts, while the second

includes tobacco, drink, clothing

and jewellery.

Forbidden

The Minister said that importers of consumer and luxury

goods would in future have to

deposit 50 per cent. of their value

for six months before being

allowed to bring them into

Portugal.

Banks have been forbidden to

grant credits to cover import

deposits.

The latest measures, which

will come into effect next

Thursday, were taken against

the background of a continuing

decline in Portugal's trading

position. The current account

deficit this year is expected to

total Esc.35bn. (about £970m.).

Excluding earnings remitted

by Portuguese emigrants, the

estimated deficit would be

£1.15bn. (£1.24bn.).

Sr. Sousa Gomes expressed the

hope that the measures would be

only temporary and promised

LISBON, Oct. 8.

that the Government would take

steps to reduce its own spending.

He said the Government had

decided to reverse the present

policy of using State funds to

prop up failing enterprises, as

this could ultimately lead only to

a further decline in real living

standards.

Supporting industry — 70 per

cent. of which is State-owned —

is expected to produce an

Esc.35bn. budget deficit this year.

Sr. Sousa Gomes announced

that the Government was taking

steps to ban imports outright

if the latest measures failed to

produce a reversal in the pay-

ments situation.

The Minister's announcements

coincided with the start of a

fresh round of contacts by

Portuguese officials aimed at

raising foreign credits.

Initiate

Bank of Portugal officials told

the Government in the summer

that they would not initiate such

contacts unless they were pro-

vided with proof for potential

creditors that Lisbon was taking

steps to restore economic equi-

brium.

In the absence of fresh infor-

mation from abroad the local

authorities

reserves have plummeted and

are now believed to provide little

more than one month's cover for

imports.

Meanwhile, Portuguese com-

muters were told that fares on

public transport would go up by

between 20 and 30 per cent. from

November 1.

IMF director gives welcome to U.K. credit squeeze

BY REGINALD DALE

DR. JOHANNES WITTEVEEN, managing director of the IMF, today welcomed Britain's latest credit squeeze, which is described as a step in the right direction.

He implied that it was the sort of action that the Fund would look for in assessing the UK request for a drawing.

At the closing Press conference of the Fund's annual meeting here, Dr. Witteveen said that the British measures were "a very useful step to make monetary policy target more effective." They would be a stronger defence against the risk that these targets being exceeded.

Britain circulated details of the measures to the other delegations last night, but most delegations were by then leaving Manila.

The British request for a drawing has been the major side-show during the week's meetings otherwise almost exclusively devoted to issues dividing the industrialised and developing worlds.

Some delegates were surprised that Mr. Dennis Healey, the Chancellor of the Exchequer, did not come to press Britain's case in person, but the general reaction was to accept his judgment that he was more usefully occupied in London.

In the event neither France, West Germany nor Japan sent a Finance Minister, leaving Mr. William Simon, the U.S. Secretary of the Treasury, as the only Third World pressing demands—Page 11

Rhodesia talks date set

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

THE CONFERENCE to establish Prime Minister, will lead the interim black majority Government in Rhodesia will be held in Geneva in two weeks, with Britain in the chair.

Mr. Anthony Crosland, Foreign Secretary, said last night that the conference, the result of the recent Anglo-American initiative in southern Africa, would open formally on October 25, although delegates were expected to assemble in Geneva on October 21.

Official details on who will attend the conference, at which Mr. Ivor Richard, Britain's ambassador to the United Nations, will be in the chair, will not be available until Tuesday when Mr. Crosland is expected to make a statement to Parliament.

Mr. Ian Smith, the Rhodesian

prime minister, was due to speak

at the conference, but he has

not yet confirmed his attendance.

On the nationalist side, it is

thought that all major members of the African National Council (ANC) will be present, although

it is not clear whether they will be there as one or as individual delegations.

At the United Nations yesterday Dr. Henry Kissinger, the U.S. Secretary of State, told African delegations a rapid, satisfactory and peaceful end to the Rhodesian crisis was "within reach."

Continued from Page 1

rates of 10.5 per cent. and 11 per cent. was discussed at Treasury level. This year's lending programme

is 11 per cent. and 12 per cent. It will leave the societies no action was forthcoming.

The movement nevertheless

expects monthly receipts to climb back to about £200m. a month, compared with £150m. at present.

This sort of monthly figure, combined with repayments of principal, interest credited to

the societies, even after the effect of the new bank deposit rates, but although the subject

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